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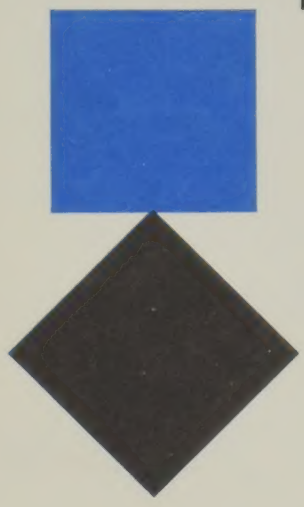

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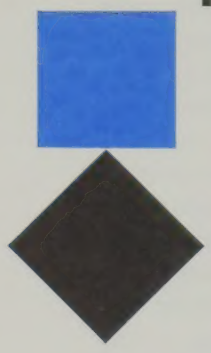

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Preface

Over the years, the Advisory Commission on Intergovernmental Relations (ACIR) has been concerned with improving methods of measuring the capacity of individual states to raise revenues. In March 1982, ACIR adopted the following resolution:

> The Commission finds that the use of a single index, resident per capita income, to measure fiscal capacity, seriously misrepresents the actual ability of many governments to raise revenue. Because states tax a wide range of economic activities other than the income of their residents, the per capita income measure fails to account for sources of revenue to which income is only related in part. This misrepresentation results in the systematic over and under-statement of the ability of many states to raise revenue. In addition, the recent evidence suggests that per capita income has deteriorated as a measure of capacity. Therefore,
>
> **The Commission recommends that the federal government utilize a fiscal capacity index, such as the Representative Tax System measure, which more fully reflects the wide diversity of revenue sources which states currently use. The Commission also recommends that the system be further developed so as to improve the accuracy of the underlying data and the consistency of the methodology, and that Congress authorize sufficient funds and designate an appropriate agency to periodically prepare the tax capacity estimates.**

In keeping with past efforts, the current report has a two-fold purpose. First, it presents new ACIR estimates of tax capacity for 1985, calculated using the Representative Tax and Representative Revenue Systems (RTS and RRS). Second, it compares these figures to those obtained using other definitions of tax capacity, setting forth the strengths and weaknesses of each method. The report is an attempt to provide elected officials, analysts, and citizens with factual and comparative data on the relative economic well-being and fiscal performance of the individual states. We hope the following information will meet this objective.

Robert B. Hawkins, Jr.
Chairman

Acknowledgments and Related Reports

This report presents the work of many persons. Mark David Menchik directed the compilation of the report, wrote a portion of *Section 1,* and with Max B. Sawicky, prepared the fiscal capacity estimates. Mr. Sawicky wrote *Appendix A.* Most of *Section 1*, including many of the text tables, was prepared by J. Fred Giertz and David L. Chicoine, both of the University of Illinois. MacArthur C. Jones assisted in chart design and Lori O'Bier typed the text.

We would like to thank Carol E. Cohen and Robert Lucke—the authors of several past reports in this series—who generously provided technical and conceptual assistance in producing the RTS and RRS estimates.

The research was conducted under the general supervision of John Kincaid, Director of Research. Full responsibility for the content and accuracy rests, of course, with the Commission and its staff.

The RTS has a long history. In 1962 the Commission published its first estimates in an information report, followed by a 1972 report extending the measure to include certain classes of local government. The third Commission report on the subject, *Tax Capacity of the Fifty States: Methodology and Estimates* (M-134) was issued in March 1982; it contained estimates for 1979. The 1982 report analyzed the difference between the personal income measure, the Representative Tax System method, and other methods of measuring fiscal capacity. It remains the basic document explaining the RTS method and its value.

In June 1982, 1980 estimates were released in mimeographed form. In September 1983, ACIR published *1981 Tax Capacity of the Fifty States* (A-93), containing the 1981 estimates and the Commission recommendation about measuring fiscal capacity. The report *1982 Tax Capacity of the Fifty States* (M-142) lists the 1982 figures and also includes experimental alternatives to the standard RTS (particularly the RRS) which are further implemented in later volumes. The next report, issued in April 1986, was entitled *1983 Tax Capacity of the States* (M-148). The most recent prior report, *Measuring State Fiscal Capacity: Alternative Methods and Their Uses (M-150)*, presents estimates for 1984; it was published in September 1986.

John Shannon
Executive Director

John Kincaid
Director of Research

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Section 1

Introduction and Overview

With the publication of this report (one of a series entitled *Tax Capacity of the States*), ACIR continues its tradition of providing data and commentary intended to stimulate, enlarge and advance the public debate on the key issue of state fiscal capacity. Interstate differences in fiscal capacity—at times amounting to disparities—have been discussed since the beginning of the century, but they have attracted increased attention with the growth of the federal government's role in the United States after World War II. More recently, the decline in direct federal aid to state and local governments has renewed interest in the fiscal capacity of state areas.

Over more than 20 years, a series of ACIR information reports has emphasized both the inadequacies of per capita personal income as a measure of the revenue capacity of state-local governments, and the need to build a better yardstick for taking that measure. ACIR's earliest report on this subject dates back to 1962. That report was the first to present an alternative—the Representative Tax System (RTS)—for measuring fiscal capacity. More recently, in the report published in 1985, ACIR developed the Representative Revenue System (RRS), which is a parallel measure that shows the capacity to collect nontax revenues, such as user charges.[1]

The RTS and the RRS are designed to answer this question: What would be a state area's collections if its governments applied identical rates—national averages—to each of 26 commonly used tax bases (for the RTS) and an additional four bases for the RRS?

The present volume publishes ACIR's estimates of fiscal capacity for 1985, using the Representative Tax and Revenue Systems. As with past reports, RTS and RRS estimates are compared to a capacity index based on per capita personal income. As was done with the previous year's report, indices based on new approaches—Gross State Product (GSP) and Total Taxable Resources (TTR)—are also discussed. *Table 1* shows scores on each of these indices, as available, by region for the period from 1981 to 1985. *Appendix A* also considers Export-Adjusted Income (EAI).

ACIR's information reports have emphasized the advantages of the RTS and RRS as comprehensive and practical measures of fiscal capacity. Yet fiscal capacity indicators are as difficult to measure as they are important to use. It is essential to understand the conceptual background underlying fiscal capacity measurement, the strengths and weaknesses of each indicator, the cautions that should govern the indicators' use, and the relationship between the various uses of fiscal capacity indicators and the choice of indicators.

There are four major uses for indicators of fiscal capacity:

Comparative Fiscal Analysis. Capacity measures and their components are used to compare the mix of taxes and other revenue sources used by state and local governments, and to compare their reliance on specific revenue sources. Key in this comparison is also computing tax effort: namely, revenues collected relative to tax bases.

Regional Economic Analysis. Capacity measures help monitor and compare trends in states' economic well-being.

Regional Economic Policy. A related use of capacity measures is to provide background information or specific factors in grant formulas to aid chronically depressed areas and to counteract the more episodic, regionally focused recessions that have occurred especially in recent times.

Table1

State Scores on the Five Fiscal Capacity Indices, by Region, 1981-85

	PCI Scores					GSP Scores				T T R Scores				RTS Scores					RRS Scores			
	81	82	83	84	85	81	82	83	84*	81	82	83	84*	81	82	83	84	85	82	83	84	85
New England																						
Connecticut	123	126	128	129	130	115	120	119	123	120	125	124	127	110	117	124	124	127	117	123	126	126
Maine	82	83	85	85	86	74	77	76	78	77	80	79	80	79	84	90	88	89	83	88	86	88
Massachusetts	107	111	114	116	118	101	105	109	112	103	106	109	111	96	101	107	111	113	101	108	110	113
New Hampshire	98	99	103	103	108	83	88	92	94	92	96	99	102	95	100	108	110	112	101	109	111	110
Rhode Island	97	98	100	100	100	87	88	91	90	93	94	96	96	80	81	86	86	88	85	91	91	90
Vermont	86	86	85	84	87	78	79	79	79	81	82	81	82	84	89	94	95	97	87	91	92	94
Mideast																						
Delaware	105	106	108	107	103	111	114	116	113	111	114	116	114	111	115	118	123	123	112	119	127	118
Washington, DC	129	131	133	134	131	236	253	248	244	233	247	244	241	111	115	117	120	123	116	119	121	123
Maryland	109	111	114	113	114	90	93	94	95	101	104	106	106	98	100	99	105	104	99	100	105	106
New Jersey	114	118	120	121	124	107	110	113	115	114	117	119	122	105	106	112	114	117	108	116	118	117
New York	108	110	112	112	116	113	117	120	120	114	116	119	120	89	92	95	98	101	94	97	100	103
Pennsylvania	98	98	98	96	97	97	93	95	95	97	95	96	96	90	89	88	88	89	89	89	89	90
Great Lakes																						
Illinois	110	108	106	108	106	110	106	108	112	110	106	107	111	104	99	98	97	96	99	99	98	9
Indiana	94	91	90	92	90	93	88	89	92	93	89	90	93	91	89	86	87	87	88	85	87	87
Michigan	99	97	98	99	98	95	92	95	99	93	91	94	97	96	93	90	93	94	93	91	93	94
Ohio	97	96	96	97	95	97	93	96	97	95	92	94	96	94	92	89	90	91	92	90	91	91
Wisconsin	97	97	97	98	95	95	93	95	97	95	94	96	98	91	87	87	89	89	87	88	89	89
Plains																						
Iowa	100	96	91	95	91	100	90	89	94	103	95	94	99	102	96	91	87	84	95	90	87	85
Kansas	105	106	103	104	99	107	105	106	106	109	109	110	110	109	106	102	100	99	104	101	99	98
Minnesota	102	102	101	104	102	106	104	108	110	104	102	105	108	100	99	97	101	101	98	97	100	101
Missouri	93	94	94	95	96	93	91	95	97	96	94	98	99	92	91	89	89	90	90	90	90	91
Nebraska	99	98	95	97	96	104	99	102	103	106	102	104	106	97	97	101	93	94	97	99	93	93
North Dakota	102	99	100	97	87	115	105	114	107	114	106	116	109	123	115	111	106	102	115	110	106	101
South Dakota	86	85	84	87	80	86	82	86	88	90	87	91	92	86	87	87	83	82	87	86	83	81
Southeast																						
Alabama	78	78	79	78	77	76	75	76	76	77	76	77	78	74	74	75	73	75	74	75	78	75
Arkansas	76	76	76	77	76	73	71	74	75	75	74	77	77	82	79	78	75	74	78	76	74	74
Florida	99	99	100	100	99	81	87	83	83	92	96	92	91	101	104	103	105	103	101	101	102	101

Southeast (cont.)																					
Georgia	85	87	89	90	90	87	90	94	96	85	87	90	92	81	84	87	89	90	83	86	88	90
Kentucky	81	82	80	81	78	85	82	84	85	84	82	83	85	82	82	79	77	78	80	78	77	77
Louisiana	91	90	87	85	81	106	102	97	94	98	96	93	90	117	113	107	102	97	119	110	107	98
Mississippi	69	70	69	69	66	69	68	69	69	70	69	71	71	72	71	68	70	69	70	68	69	68
North Carolina	82	82	84	85	84	84	86	89	91	80	82	84	85	80	82	87	87	86	81	85	85	85
South Carolina	77	77	79	79	76	75	76	77	78	74	76	76	77	75	74	76	77	77	73	75	76	76
Tennessee	81	81	81	81	81	84	83	86	86	83	82	85	84	79	77	80	81	83	77	79	79	82
Virginia	100	102	104	104	105	91	94	98	99	97	99	101	102	94	94	96	96	98	93	96	96	98
West Virginia	80	80	78	76	74	79	77	75	74	82	80	79	79	90	92	87	79	77	88	84	77	76
Southwest																					
Arizona	93	91	92	93	92	85	88	83	83	88	90	85	84	89	96	97	99	99	94	95	96	97
New Mexico	83	84	82	80	79	86	89	84	82	86	88	83	81	114	115	108	103	99	140	119	121	108
Oklahoma	98	100	93	91	88	109	107	102	100	104	103	98	97	127	126	115	113	105	120	109	108	101
Texas	102	102	99	98	97	120	116	113	105	111	109	107	100	132	130	124	117	111	126	119	114	109
Rocky Mountain																					
Colorado	109	110	109	108	107	112	117	114	114	108	112	109	112	113	121	122	121	118	119	119	119	116
Idaho	85	81	81	79	80	82	75	79	77	83	77	81	79	87	86	83	78	78	85	82	77	78
Montana	88	87	86	82	79	86	87	83	79	86	88	85	81	114	110	105	95	90	108	102	96	89
Utah	79	78	77	76	76	81	82	78	77	78	78	75	74	86	86	82	81	81	88	81	81	81
Wyoming	114	108	100	96	95	142	134	120	115	131	124	115	111	216	201	182	181	169	210	172	202	181
Far West																					
California	115	114	114	113	116	112	116	108	108	110	112	106	105	115	116	119	119	120	115	118	118	119
Nevada	111	108	106	104	104	104	109	97	93	104	108	96	93	148	151	147	146	146	142	138	136	137
Oregon	94	91	92	91	91	88	87	85	84	90	89	87	87	99	99	96	94	95	97	94	92	93
Washington	107	105	104	100	100	102	104	100	95	103	104	101	97	99	102	101	99	101	101	100	98	100
Alaska	142	152	149	137	131	235	248	219	196	207	221	197	174	324	313	272	250	259	531	400	357	383
Hawaii	105	105	106	102	100	108	107	102	96	105	104	100	95	105	117	114	118	117	114	111	113	113

*Gross State Product (GSP) and Total Taxable Resources (TTR) not yet available for 1985.

Source: ACIR staff compilation.

Fiscal Equalization. Capacity measures are used in federal grant formulas that are designed to provide greater assistance per capita to those states with less ability to raise taxes from their own sources.

OUTLINE OF THIS REPORT

Below, *Section 1* provides a description of the RTS and RRS, presents the estimates for 1985 along with a discussion of recent changes in states' fiscal capacities, and compares the two ACIR indices to other measures of fiscal capacity. *Section 2* uses the RTS, the RRS, and their components to chart each state's fiscal capacity, along with changes in RTS tax capacity and tax effort. While *Section 2* is arranged by state, *Section 3* is organized by revenue base. *Section 3* presents a table for each of 26 tax bases in the Representative Tax System. An additional four revenue bases, added to the previous 26, form the Representative Revenue System.

Appendix A discusses the conceptual basis for measuring fiscal capacity, the uses of such indicators, the design and construction of alternatives to the RTS and RRS, as well as the comparative advantages and disadvantages of each indicator. *Appendix B* details the methods used in RTS and RRS estimation while *Appendix C* contains summary RTS tables for all past years.

THE REPRESENTATIVE TAX SYSTEM AND THE REPRESENTATIVE REVENUE SYSTEM: PRELIMINARIES

The RTS and RRS are yardsticks for measuring the fiscal capacity of each of the 50 state-local fiscal systems, plus Washington, DC. They provide absolute and relative measures of the hypothetical ability of the states to raise tax revenues, assuming every state applied identical rates to each of the commonly used tax bases. The RTS and RRS also measure tax effort, or a state's actual revenues relative to its hypothetical fiscal capacity.

Tax Capacity

The Representative Tax System method defines "tax capacity" as the dollar amount of revenue that each state would raise if it applied a nationally uniform set of tax rates to a common set of tax bases. (The RRS expands this definition.) The RTS and RRS are "representative" in that national average tax rates are applied in each state to standardized tax or other revenue bases. Because the same tax rates are used for every state, estimated yields vary only because of differences in the underlying bases. As with other capacity measures, the RTS is not concerned with individual state-local fiscal choices, such as whether or not a state utilizes a particular tax base. However, by using the national average tax rates for each base, and thereby weighting the importance of one base relative to all others, the RTS/RRS approach implicitly yields a result that depends on the "average" choices made by all states and localities, taken together. It is an index based on average behavior in the aggregate. The capacity measure pertains only to the level of economic resources in any state, resources that by common practice may be said to be potentially taxable whether or not the particular state actually taxes those resources and regardless of the intensity with which a state utilizes those taxable resources.

Estimates of all bases commonly subject to state and local levies are used in the RTS/RRS calculations of tax capacity. *Table 2* provides a breakdown of the 26 bases in the RTS, the four bases added to form the RRS, as well as the amount of nationwide revenue each generates and the average tax rate for each base. The estimated total state-local tax yields reflect the intensity of use of the various tax bases on a national basis, thereby avoiding reliance on arbitrary weights by simply adding together billions of dollars in property values, millions of dollars in income, and so forth. *Appendix B* provides a detailed description of each base and the data sources used in developing the RTS and RRS for 1985.

Tax Effort

Using RTS and RRS, the tax capacity and tax effort measures are complementary in that capacity measures a state's tax base while effort indicates the overall tax burden placed on that base.

The tax effort index for a state is calculated by dividing the state's actual tax collections by its estimated tax capacity and multiplying by 100. The result may be interpreted as a measure of how much that state chooses to exploit all its potential tax bases relative to other states. If a state has a tax effort beneath the national norm, it will have an effort index under 100. An index of 115, for example, indicates that tax effort is 15% above the national average.

Tax effort, like tax capacity, can also be measured for each tax or nontax revenue base. The base-specific measures of tax effort test how intensively a state uses each tax base compared to all other states. Because the RTS and RRS use standardized rates applied to standardized bases, the resulting tax effort measures give comparability among states that simple comparisons of statutory tax rates do not. For every state, sales tax effort, for example, is measured relative to retail sales (excluding food and drugs) whether or not a state actually exempts these or other items from the tax. A simple comparison of statutory sales tax rates can mislead because it does not take into consideration the great variation in the composition of the various state sales tax bases.

Section 2 shows graphically for each state the trends in tax capacity and tax effort over time. Together, the two indices provide a summary of the general fiscal status of each state. However, the change in a state's tax effort over time results from change in either its tax revenues or its tax capacity. Thus, even if

Table 2

Information Used to Compute the Representative Tax and Revenue Rates of State and Local Governments, 1985

Revenue Base	State-Local Tax Collections: Billions of Dollars	State-Local Tax Collections: Percent of Total	Details of Revenue Base: Amounts in Millions	Details of Revenue Base: Description	Representative Rate
General Sales and Gross Receipts Taxes	$84.2	19.7%	$1,187,582	Retail sales and receipts of selected service industries	7.1%
Selective Sales Taxes	37.4	8.7			
Parimutuel	0.7	0.2	15,588	Parimutuel turnover from horse and dog racing	4.6%
Motor Fuel	13.6	3.2	122,560	Fuel consumption in gallons	$.11/gal.
Insurance	4.5	1.1	$276,520	Insurance premiums: life, health, property, and liability	1.6%
Tobacco	4.4	1.0	28,464	Cigarette consumption in packages	$.16/pk.
Amusement	0.5	0.1	$52,043	Receipts of amusement and entertainment businesses	1.0%
Public Utilities	10.3	2.4	$290,993	Revenues: electric, gas, and telephone companies	3.5%
Distilled Spirits	1.7	0.4	416	Consumption of distilled spirits, in gallons	$4.03/gal.
Beer	1.3	0.3	182	Consumption of beer in barrels	$7.03/bbl.
Wine	0.3	0.1	569	Consumption of wine in gallons	$.58/gal.
License Taxes	11.8	2.8			
Vehicle Operator	0.6	0.1	157	Motor vehicle operators' licenses	$3.92/lic.
Corporation	2.8	0.7	4	Number of corporations	$759.75/corp.
Hunting and Fishing	0.6	0.1	63	Number of hunting and fishing licenses	$9.31/lic.
Alcoholic Beverages	0.2	< 0.1	< 1*	Licenses for the sale of distilled spirits	$819.49/lic.
Automobile	4.5	1.1	131	Private automobile registrations	$34.04/reg.
Truck	3.1	0.7	37	Private truck registrations	$82.86/reg.
Personal Income Taxes	70.1	16.4	$366,435	Federal income tax liability	18.8%
Corporation Income Taxes	19.0	4.4	$197,801	Corporate profits	9.6%
Property Taxes	103.9	24.3			
Residential	63.1	14.7	$3,968,640	Market value of residential property	1.6%
Farm	4.4	1.0	$690,138	Market value of farm real estate	0.6%
Commercial/Industrial	27.6	6.4	$2,193,999	Net book value of inventories, property, industrial plant, and equipment of corporations	1.3%
Public Utilities	8.8	2.1	$614,345	Net book value of fixed assets for electric, gas, and telephone companies	1.4%
Estate and Gift Taxes	2.4	0.6	$6,852	Federal estate and gift tax liability	34.3%
Severance Taxes	7.5	1.8			
Oil and Gas	6.6	1.5	$104,378	Value of oil and gas production	6.4%
Coal	0.6	0.1	$22,037	Value of coal production	2.7%
Nonfuel Mineral	0.2	0.0	$23,976	Value of nonfuel mineral production	1.0%
RTS SUBTOTAL	$336.2	78.5%			
Other Taxes	13.7	3.2	$3,310,543	Personal income	0.4%
Rents and Royalties	3.2	0.7	$3,207	Receipts from rents and royalties	100.0%
Mineral Leasing	0.5	0.1	$550	Actual federal payments	100.0%
User Charges	74.5	17.4	$3,310,543	Personal income	2.3%
RRS TOTAL	$428.1	100.0%			

*For actual figure, see *Table 3-19*.
Note: Detail may not add to totals owing to rounding.

Source: ACIR staff compilations.

their revenues have remained in step with the national average, some states, such as those in the Midwest, might have rising tax efforts simply because their capacities have declined.

The Case for the RTS and RRS

The RTS and RRS are detailed, comprehensive, yet intuitively understandable measures of fiscal capacity—the ability to raise revenues for public services. They strike a balance between two extremes: They are neither so theoretical and difficult to explain that they lose their intuitive appeal in the political forum, nor are they so oversimplified and rooted in the current tax practice of any one state as to provide no policy guidance. In Canada, the RTS is used in the formula that distributes federal equalization aid to the provinces.

The RTS and RRS are the only indices of fiscal capacity that allow interstate comparison of tax capacity and utilization on a disaggregated tax-by-tax basis. As shown by the lower graphs in the pages of *Section 2*, policymakers can see at a glance how, relative to other taxes and other state-local systems, a particular state is "under-utilizing" or "over-working" individual taxes.

The RTS and RRS are also useful tools for federal policymakers. Indices of interstate fiscal differences are employed in equalizing formulas for numerous federal grants, including Medicaid and vocational education, to name just a few. Because the RTS and RRS measure state tax wealth more comprehensively than per capita personal income, they provide a better basis for interstate fiscal equalization. In addition to the strengths previously mentioned, an advantage of the RTS and RRS is their incorporation of tax exporting.

INCLUSION OF TAX EXPORTATION

RTS and RRS offer a more accurate measure of fiscal capacity than residents' per capita income because they capture states' opportunities to export taxes—the ability to collect taxes from nonresidents.[2] The ability to export taxes depends, for example, on how much of a state's tax base lies in industries that can pass on taxes (such as severance taxes) to nonresidents, and on the amount of taxes (such as sales taxes in tourist areas) a state receives which are paid directly by nonresidents. In sharp contrast, per capita income ignores tax exportation and thereby understates the fiscal capacity of a tourist-rich state such as Nevada or an energy-rich state such as Wyoming. This is shown in *Table 3*, which compares the RTS and PCI indices for five mineral-exporting states.[3]

See *Appendix A* for a discussion of measuring tax exportation.

ANALYSIS OF THE 1985 ESTIMATES

Below, the state fiscal capacity scores for 1985 are presented in *Table 4*, accompanied by a discussion of changes in capacity and tax effort in states experiencing economic growth and economic decline. Three indicators of fiscal capacity are used: Per Capita Income (PCI), the Representative Tax System (RTS), and the Representative Revenue System (RRS). The extent of agreement or disagreement among alternative fiscal capacity measures among states is examined for 1985. Next is a statistical analysis of those factors that are associated with differing capacity scores. The latter analysis employs data for 1984, which is the latest year for which all five measures commonly used are available: the three mentioned above, plus Gross State Product (GSP) and Total Taxable Resources (TTR).

Table 3
Comparison of 1985 RTS and Per Capita Income Indices for Five Major, Mineral-Exporting States

State	1985 RTS Index	1985 Per Capita Income Index	Difference In Index Points
Alaska	259	131	128
Wyoming	169	95	74
Nevada	146	104	42
Texas	111	97	14
Oklahoma	105	88	17

Source: Analysis by J. Fred Giertz and David L. Chicoine of ACIR staff compilation.

Regional Patterns of Fiscal Capacity

Most states in New England and the Mideast region had above-average capacities in 1985 by all measures. *Table 4* shows PCI, RTS, and RRS measures of fiscal capacity for all states organized into regions. These are the only capacity scores available for 1985. *Map 1* depicts RTS scores for 1985; *Map 2*, the change from 1984 to 1985: that is, the latter score minus the former.

The relative strength of state economies in New England and the Mideast region accounts for the fiscal strength of most of those states. This strength is particularly evident in PCI. Of the 11 states and Washington, DC, in these two regions, only Maine, Vermont and Pennsylvania have capacity scores below the national average for PCI, RTS and RRS. However, these three states are close to or above 90% of the national average for most capacity measures.

The Far West states, including Alaska and Hawaii, are also at or above the national average in fiscal capacity measured by the three methods. The exception is Oregon, which is reported at 5-9% below the national average, depending on the capacity measure. Washington is very close to the national average in all measures.

Table 4

Regional Variation in Fiscal Capacity for 1985*

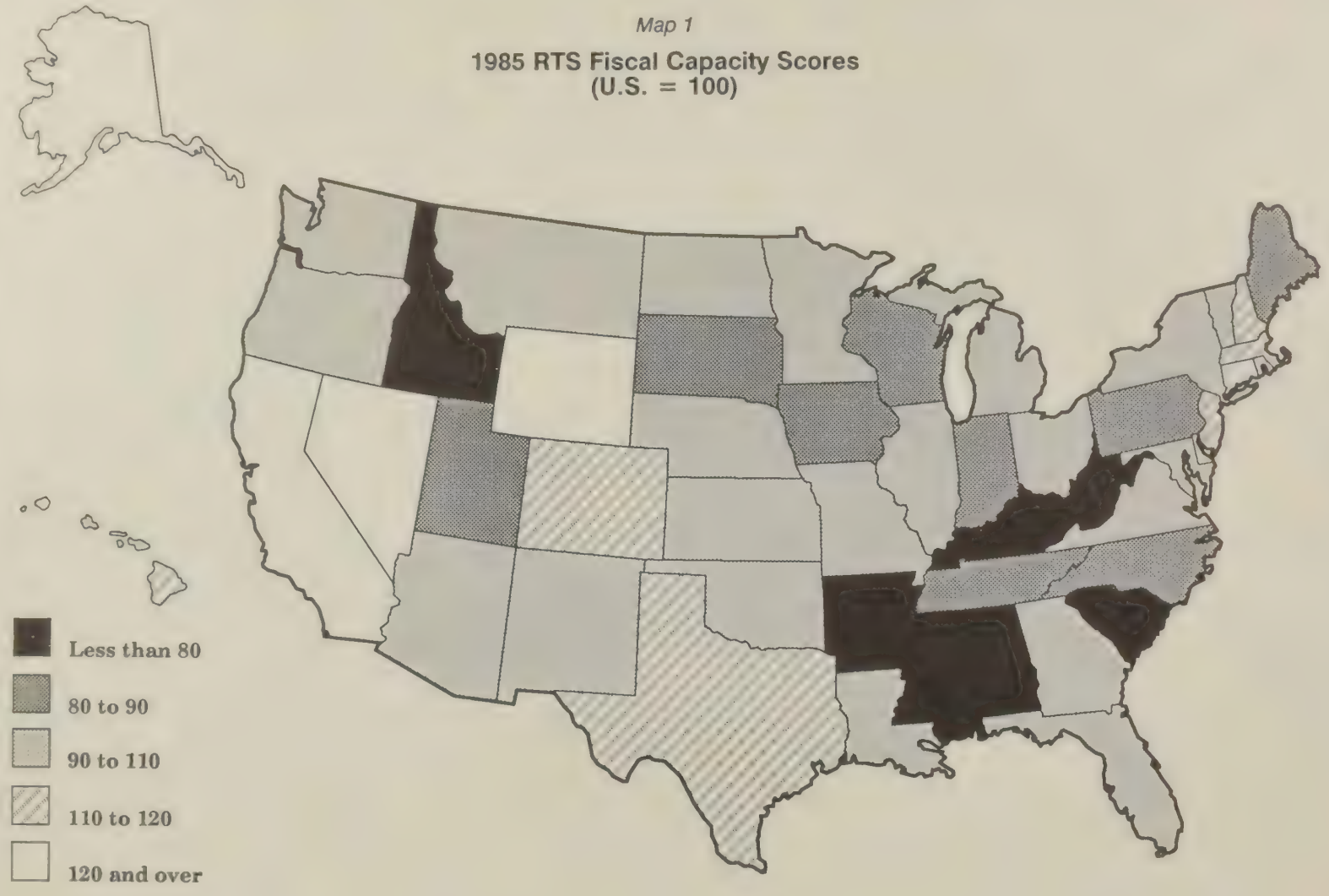
States by Region	Per Capita Personal Income (PCI) Score	PCI Rank	Representative Tax System (RTS) Score	RTS Rank	Representative Revenue System (RRS) Score	RRS Rank
New England						
Connecticut	130	3	127	4	126	4
Maine	86	37	89	36	88	38
Massachusetts	118	5	113	11	113	10
New Hampshire	108	9	112	12	110	12
Rhode Island	100	16	88	38	90	34
Vermont	87	35	97	25	94	27
Mideast						
Delaware	103	14	123	5	118	7
Washington, DC	131	2	123	6	123	5
Maryland	114	8	104	15	106	15
New Jersey	124	4	117	10	117	8
New York	116	7	101	20	103	16
Pennsylvania	97	22	89	35	90	33
Great Lakes						
Illinois	106	11	96	27	98	25
Indiana	90	31	87	39	87	39
Michigan	98	21	94	29	94	28
Ohio	95	26	91	31	91	31
Wisconsin	95	27	89	37	89	37
Plains						
Iowa	91	32	84	41	85	41
Kansas	99	19	99	23	98	24
Minnesota	102	15	101	18	101	20
Missouri	96	24	90	32	91	32
Nebraska	96	25	94	30	93	29
North Dakota	87	36	102	17	101	19
South Dakota	80	42	82	43	81	43
Southeast						
Alabama	77	46	75	49	75	49
Arkansas	76	47	74	50	74	50
Florida	99	20	103	16	101	17
Georgia	90	33	90	34	90	35
Kentucky	78	45	78	45	77	46
Louisiana	81	39	97	26	98	23
Mississippi	66	51	69	51	68	51
North Carolina	84	38	86	40	85	40
South Carolina	76	49	77	48	76	47
Tennessee	81	40	83	42	82	42
Virginia	105	12	98	24	98	22
West Virginia	74	50	77	47	76	48
Southwest						
Arizona	92	29	99	21	97	26
New Mexico	79	44	99	22	108	14
Oklahoma	88	34	105	14	101	18
Texas	97	23	111	13	109	13
Rocky Mountain						
Colorado	107	10	118	8	116	9
Idaho	80	41	78	46	78	45
Montana	79	43	90	33	89	36
Utah	76	48	81	44	81	44
Wyoming	95	28	169	2	181	2
Far West						
California	116	6	120	7	119	6
Nevada	104	13	146	3	137	3
Oregon	91	30	95	28	93	30
Washington	100	17	101	19	100	21
Alaska	131	1	259	1	383	1
Hawaii	100	18	117	9	113	11

*U.S. Average = 100

Source: Analysis by J. Fred Giertz and David L. Chicoine of ACIR staff compilation.

Map 1

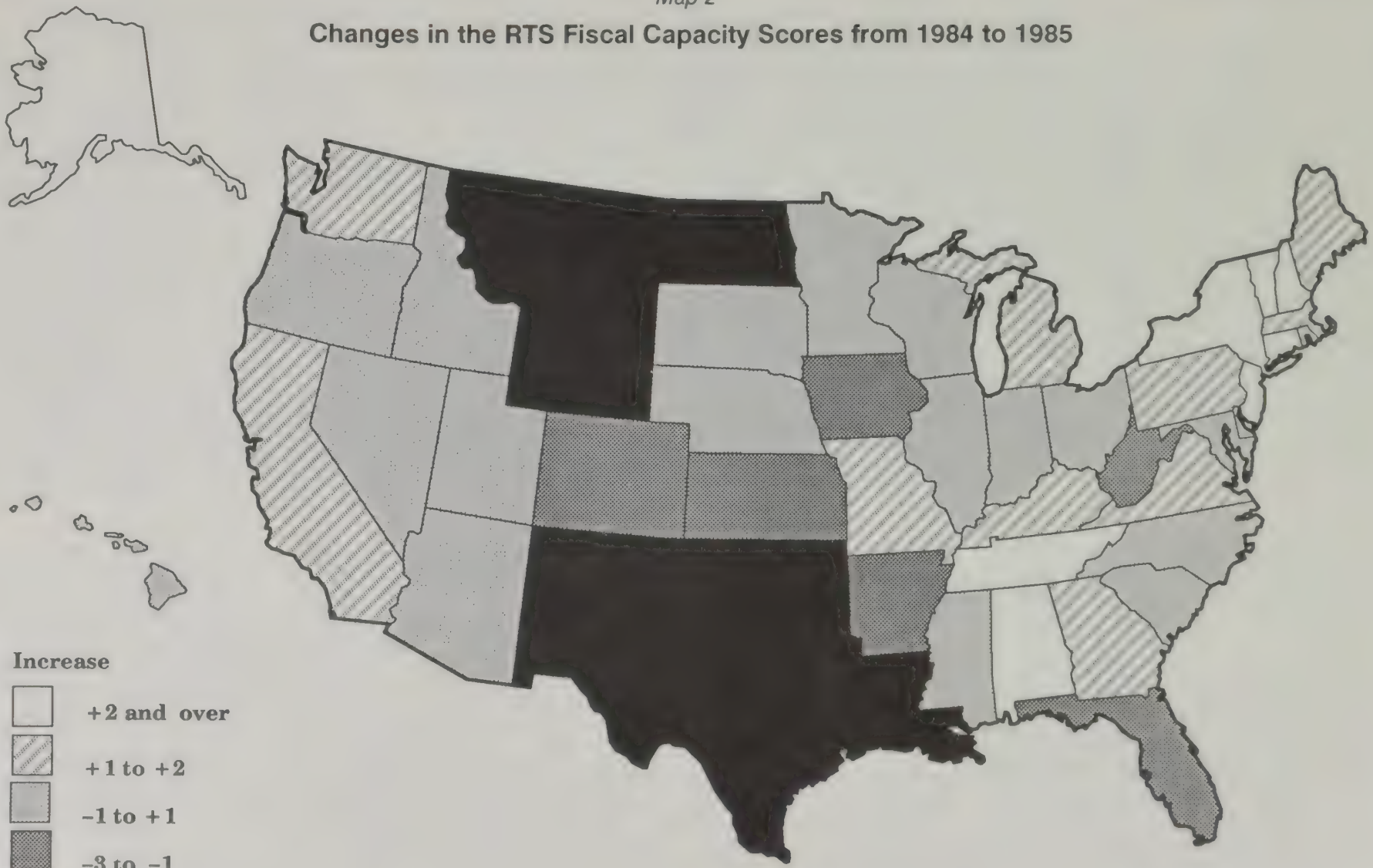
1985 RTS Fiscal Capacity Scores
(U.S. = 100)



Source: ACIR staff calculations.

Map 2

Changes in the RTS Fiscal Capacity Scores from 1984 to 1985



Source: ACIR staff calculations.

The still significant energy sector in Alaska and the tourist economy of Nevada are reflected in the RTS/RRS measures exceeding PCI by a substantial amount in these two states. Hawaii is similar to Nevada, but with less difference between the PCI and the RTS/RRS measures of capacity. The strong position of California evidences that state's general economic strength (PCI = 116, RTS =120, RRS = 119).

Mississippi ranks 51st in PCI and in the RTS/RRS capacity measures. It is followed by Arkansas, Alabama, South Carolina, West Virginia, and Kentucky as the six states with the nation's lowest fiscal capacity.

Between Florida and Virginia and the six weakest states are Tennessee, North Carolina and Louisiana. The energy sector in Louisiana pushes the RTS/RRS measures of capacity close to the national average. In contrast, the PCI score for Louisiana is about 20% below the national norm.

Positioned between the strength of the Northeast, Mideast, and the Far West states, and the general weakness in the southeastern states are the heartland regions of the Plains, the Great Lakes, the Rocky Mountains, and the Southwest. Exceptions again are those states with substantial energy sectors—Colorado and Wyoming in the Rockies and Texas and Oklahoma in the Southwest. These states resemble the other heartland states in their PCI, but have above-average RTS/RRS scores. In addition, Montana, New Mexico and North Dakota have RTS/RRS fiscal capacity measures above their respective PCIs because of the energy resources within their boundaries.

In contrast to the Northeast, the Mideast and the Far West, states in the Southeast are, in general, the poorest in terms of relative fiscal capacity. This holds whether the PCI or the RTS/RRS methods are used to evaluate economic conditions. Almost half of the states in this region have capacities 20% or more below the national average. The two exceptions are Florida and Virginia, which have fundamentally different economies from those of the other southeastern states. In addition, changes in the fiscal capacity of Georgia, particularly in PCI, during the 1980s reflect the changes underway in that state's economy. By 1985, the fiscal capacity of Georgia was only 10% below the national average.

The nonenergy states in the heartland regions have economies dominated by traditional manufacturing and agriculture, which are recovering slowly from the economic downturn of the early 1980s. Among these states, the more agricultural ones have less tax wealth, per capita, than the manufacturing states. Idaho and Utah in the Mountain region and South Dakota and Iowa in the Plains have capacities that are 20% or more below the national average. Minnesota and Illinois, on the other hand, are very close to the national average, with the other heartland states having capacities less than 10% below the national average.

The overall regional pattern of fiscal capacity in 1985 continues the general economic trends of the 1980s, with the Northeast and Far Western states having above-average capacity measures. In addition, the energy states also have higher capacity when measured by the RTS/RRS approach. The states from the four heartland regions generally have below-average scores, but their scores are considerably higher than states in the Southeast. The range of the RTS/RRS scores is wider than the PCI, as expected, producing a more dramatic picture of variation in fiscal capacity among states and regions.

Fiscal Capacity Changes and Fiscal Effort

Changes in fiscal capacity come from economic change. Such changes may also induce changes in tax effort. The link between changes in fiscal capacity and changes in tax effort is displayed in *Table 5*. This table presents changes in PCI and RTS between 1981 and 1985 and the associated changes in relative tax effort for two groups of states. The first group comprises the ten states with the largest increase in PCI from 1981 to 1985; the second group contains the 11 states with the largest decrease in PCI in that period.

States from New England and the Mideast dominate the group with increased PCI, while states with decreases are located in the Plains (3 states), the Southeast (2), the Southwest (1), the Rocky Mountain (2) and the Far West (2)region plus Alaska. Half of the second group of states has economies dominated by energy or agriculture.

Membership in the two groups of states would change little if defined by RTS rather than PCI. Generally, the RTS measure varies more with economic change than PCI, showing larger index point increases and decreases. The two groups show the growing differentials in tax wealth among states as the national economy recovers from the 1981-83 recession. Implied from the states in *Table 5* is the unchanged relative fiscal position of states not listed. Smaller increases and declines were experienced by states in the Southeast, the Plains, and the Great Lakes regions.

As expected, strengthened fiscal capacity is linked to reduced tax effort and weakened capacity is linked to increased relative tax effort. All the growing states had lower tax effort scores in 1985 than in 1981, and all declining states had higher relative tax efforts, with the exception of Alaska.

Hidden in the changes in tax effort scores are the substantial modifications of state taxes that were made during this period, particularly in 1983. Legislated tax rate increases in declining states will add to their tax effort indexes. On the other hand, augmented collections in growing states tend to exert a downward pressure on calculated tax effort—in those states, reduced or stable tax rates will also contribute to the decline in tax effort.

Income or sales tax increases were adopted in 1982 or 1983 in six of the states with declining economies; several had additional increases in 1984. New Jersey and Rhode Island were the only growing states to

Table 5

1981-85 Changes in Fiscal Capacity: Tax Effort

State	Region	Per Capita Personal Income (PCI)	Representative Tax System (RTS)	Tax Effort
Ten States With Largest Increase In PCI*				
Massachusetts	New England	+11	+17	-28
New Hampshire	New England	+10	+17	-9
New Jersey	Mideast	+10	+12	-7
New York	Mideast	+8	+12	-15
Connecticut	New England	+8	+17	-4
Maryland	Mideast	+5	+6	-6
Georgia	Southeast	+5	+9	-7
Maine	New England	+4	+10	-9
Virginia	Southeast	+4	+4	-3
Rhode Island	New England	+3	+8	-12
Eleven States With Largest Decrease In PCI**				
Wyoming	Rocky Mountain	-19	-47	+35
North Dakota	Plains	-15	-21	+18
Alaska	—	-11	-65	-57
Oklahoma	Southwest	-10	-22	+11
Montana	Rocky Mountain	-9	-24	+15
Iowa	Plains	-9	-18	+14
Louisiana	Southeast	-9	-20	+16
Washington	Far West	-7	+2	+3
Nevada	Far West	-7	-2	+2
Kansas	Plains	-6	-10	+9
West Virginia	Southeast	-6	-13	+20

*If RTS were used instead of PCI, the ordering would change slightly and Delaware and Hawaii would replace Virginia and Rhode Island.

**Eleven states listed because of ties. If RTS were used instead of PCI, the ordering would change slightly and Texas and New Mexico would replace Washington and Nevada. Kansas and West Virginia are tied for tenth.

Source: Analysis by J. Fred Giertz and David L. Chicoine of ACIR staff compilation.

increase rates on income or sales taxes in these years. However, 1984 and 1985 were characterized more by tax decreases than by increases, particularly income tax decreases in states with progressive income taxes and high marginal rates. New York and Massachusetts, for example, reduced personal income taxes significantly in 1985. The rate and capacity changes help explain declines in tax effort in growing states and increases in tax effort in declining states.

Reduced fiscal capacity can be also responded to by relying more heavily on nontax revenues, such as user charges. Although long time series on relative effort for user charges are not available, all of the declining states made above average use of user charges in 1985. The range for the declining states was from 98% above the national average in Alaska to 4% above the national average in Kansas and West Virginia. In contrast, in 1985, of the growing state, only Georgia had a user charge effort index above the national average. All of the other growing states had scores that ranged from 49% less than the national average in Connecticut to 5% below the national average in Virginia.

Variation Among Alternative Capacity Measures

Considerable attention has been focused on alternative measures of the fiscal capacity of state and local governments in the United States. This discussion focuses on differences in the components of the various measures as well as the appropriateness of alternative measures for various purposes, such as fiscal equalization or redistribution, comparative tax burden analysis, and regional economic well-being.

We analyze the interrelationship among the five most often used and readily available measures of fiscal capacity: Per Capita Income—PCI, Gross State Product—GSP, Total Taxable Resources—TTR, the Representative Tax System—RTS, and the Representative

Revenue System—RRS. Variations in these alternative measures for the same state at a particular point in time are examined. First, we determine the extent to which the five measures are correlated with one another. Then, another analysis is conducted to identify the reasons for interstate variation in the various measures.

The correlation analysis shows that there is considerable variation among the capacity indices—even among those that are thought to measure the same phenomenon. This analysis also confirms the prior categorization of the five measures into two broad groups—one representing the revenue potential of governments and the other representing the ability of citizens to pay taxes.[4] In most cases the variation among alternative measures can be explained by factors—such as the differential capacity to export taxes—that are suggested by prior theoretical exploration.

CORRELATION ANALYSIS

The familiar pairwise coefficients of correlation for the five measures of fiscal capacity were calculated for 1984; details are presented in *Tables 6* through *9*. We used 1984 rather than 1985 values because all five measures are available for 1984 while only PCI, RTS, and RRS are available for 1985. There is no reason to believe, however, that the results for 1984 are not applicable to 1985 and beyond.

The coefficient of correlation measures the closeness of the relationship between two variables (more technically, the degree of straight-line association). The coefficient is positive if large values of one variable are associated with large values of the other, and negative if an inverse relationship exists. The coefficient can vary from -1 to +1, with zero showing no systematic relationship between two measures (intuitively, the two variables are independent of each other) while a -1 or +1 indicates that one variable is a perfect "predictor" of the other. The higher the value of the coefficient, whatever its sign, the closer is the relationship between the two measures.

Table 6

Coefficients of Correlation Between Alternative Capacity Measures

	RTS	RRS	PCI	GSP	TTR
RTS	1.00	.94	.42	.40	.33
RRS		1.00	.34	.38	.30
PCI			1.00	.63	.68
GSP				1.00	.97
TTR					1.00

Note: Only the upper half of this table is shown. The lower half is identical, since the correlation of RTS with RRS is the same as the correlation of RRS with RTS.

Source: Analysis by J. Fred Giertz and David L. Chicoine of ACIR staff compilation.

Examining *Table 6*, all the measures are positively correlated with one another, as might be expected. Previous analysis has placed the five measures into two broad categories. RTS and RRS are considered measures of state and local governments' revenue-collecting potential. PCI, GSP, and TTR are measures of individual citizens' ability to pay taxes. The correlation analysis seems to confirm this distinction. RTS and RRS are highly correlated with each other (+.94) while the various correlations between these two measures and the other three measures are considerably weaker (in the range of .30 to .42). In the second category, GSP and TTR are very highly correlated with each other (.97) while PCI is somewhat less closely associated with either GSP or TTR.

This preliminary correlation analysis suggests that RTS and RRS are virtually interchangeable as measures of capacity, as are GSP and TTR.

The fact that PCI is not closely correlated with any of the other measures of capacity indicates that these measures are in fact providing new information. If PCI were closely correlated with the other measures (e. g., coefficients in the .90 to 1.0 range), there would be little reason to devote resources to develop and compile alternative measures of fiscal capacity.

FACTORS UNDERLYING DISAGREEMENT IN CAPACITY SCORES

There obviously exists a precise, accounting-like relationship among the five measures of fiscal capacity. By dividing each measure into its component parts, variations can be explained based on the similarities or differences of the components. It is instructive, however, to attempt to explain these differences more concisely by using readily available data that captures the major differences in the measures of capacity.

Regression analysis was used to explain pair-wise indicators of variation in capacity scores across the 50 states and Washington, DC, based on each state's mineral income, travel expenditures, poverty level, and population density. Multiple regression analysis examines the relationship between an independent variable and the combined effects of several explanatory variables. One indicator of variation used here is the absolute difference between the two capacity measures, while the other indicator is the ratio of one capacity measure to another. Because there are five different capacity measures, there are ten pair-wise indicators of variation in capacity scores.

To explain the absolute variations (*Table 7*), a regression equation was estimated for each of the ten interrelationships and the four explanatory variables (mineral income, travel expenditure, poverty level, and population density). Most of the interstate variation in these indicators of disagreement in fiscal capacity scores can be explained through these three simple variables. The results also confirm many of the observations presented in less rigorous form in earlier analyses as well as providing some new insights.

Table 7

Regression Coefficients for Absolute Differences Between Capacity Measures

Dependent Variable	Explanatory Variables: Population Density	Mineral Income	Travel Expenditure	Poverty Rate	R^2
RTS-PI	.0019791	.039233	.042591	-.095486	.93
	(2.17)	(23.30)	(5.89)	(-3.52)	
RRS-PI	.002827	.069139	.03321	-.121868	.89
	(1.45)	(19.11)	(2.14)	(-2.09)	
GSP-PI	.017170	.016519	.019252	.0073987	.90
	(17.76)	(9.23)	(2.51)	(.26)	
TTR-PI	.016367	.011310	.020265	.0231906	.91
	(20.17)	(7.54)	(3.14)	(1.04)	
RRS-RTS	.000609	.028308	.014465	-.021335	.72
	(.42)	(10.70)	(1.27)	(-.50)	
GSP-RTS	.017498	.021139	.071469	-.008707	.87
	(13.2)	(8.66)	(6.82)	(-.22)	
TTR-RTS	.017407	.027405	.069271	-.015551	.91
	(14.77)	(12.58)	(7.40)	(-.44)	
RRS-GSP	.018496	.050880	.061257	-.033997	.89
	(10.46)	(15.55)	(4.36)	(-.064)	
TTR-GSP	.000471	.004475	-.00306	-.019548	.36
	(.96)	(4.91)	(-.78)	(-1.33)	
TTR-RRS	.018212	.057369	.059994	-.035790	.89
	(9.78)	(16.65)	(4.06)	(-.64)	

Note: "t" values in parenthesis. These indicate the statistical reliability of each figure. "t" values greater than +2 (or smaller than -2) indicate statistically reliable results.

Sources: Analysis by J. Fred Giertz and David L. Chicoine of ACIR staff compilation of fiscal capacity indices. The remaining data are derived from the *Statistical Abstract of the United States, 1986*. The state poverty rate is for 1979. The value of mineral production is for 1983 or the latest year available. This variable is normalized to represent a state's share of mineral income divided by its share of population. A similar normalization procedure is carried out for travel expenditures.

Normalized mineral income was positively and significantly related to high levels of disagreement among the capacity measures as was normalized travel expenditure. Both of these variables reflect the ability of states to export taxes, which accounts for much of the between-measures variation in capacity scores. Not only were they important in explaining differences between measures in the two broad categories (PCI-GSP-TTR vs. RTS-RRS), but they were also significant in explaining variations among measures within the same category. The poverty variable was important in explaining variations between PCI and both RTS and RRS, with poor states having less variation. This confirms the observation that low capacity states seem to have less variability among capacity measures than do higher income states. However, poverty was not significant in explaining variation among measures aside from PCI and RTS/RRS.

The most important new information derived from this analysis is the importance of population density. States with high population density have significantly greater variation among the measures of capacity than do less densely populated states. Population density seems to be positively related to ability-to-pay measures of fiscal capacity (PCI-GSP-TTR) and negatively related to the revenue potential measures (RTS/RRS). High density states are likely to have less tax capacity per person from nonhuman resources like land, including minerals, and possibly a lower ability to export taxes, although the reason for this is not apparent.

Table 8

Regression Coefficients for Ratios of Capacity Measures

Dependent Variable	Explanatory Variables: Population Density	Mineral Income	Travel Expenditure	Constant	R^2
RTS/PI	-.00300 (-2.64)	.037044 (17.26)	.0639330 (7.16)	91.75493	.89
RRS/PI	-.00181 (-1.44)	.060443 (25.41)	.0524403 (5.30)	90.48900	.94
GSP/PI	.013515 (11.18)	.017623 (7.73)	-.013076 (-1.38)	96.76433	.78
TTR/PI	.013102 (14.07)	.012032 (6.85)	-.015205 (-2.08)	98.72549	.83
RRS/RTS	.000916 (1.32)	.013096 (10.02)	-.009838 (-1.81)	99.62333	.68
GSP/RTS	.017970 (11.38)	-.00991 (-3.33)	-.058516 (-4.72)	102.9061	.78
TTR/RTS	.017581 (12.15)	-.01350 (-4.95)	-.060674 (-5.34)	104.7576	.82
RRS/GSP	-.00918 (-5.49)	.032032 (10.16)	.0729290 (5.56)	93.34855	.80
TTR/GSP	-.00022 (-.36)	-.00444 (-3.76)	-.001937 (-.39)	101.9716	.24
TTR/RRS	.016680 (11.39)	-.02029 (-7.35)	-.052658 (-4.58)	104.7342	.83

Note: "t" values in parenthesis; see *Table 7*.

Sources: See *Table 7*.

The regression analysis explaining the ratio of one measure to another (*Table 8*) yields very similar results to those already discussed. A ratio of one means that two measures are the same, while ratios above or below one indicate differences between pairs of capacity measures. It should be noted that the signs of the coefficients change depending upon which measure is in the numerator and denominator. In this analysis, the poverty level was not important in explaining variations, so it was not included in the reported results.

It is instructive to analyze in more detail the first equation reported in *Table 8* explaining the RTS/PCI ratio. The ratio falls as population density increases, suggesting that RTS responds less to changes in density than does PCI. Both increases in relative mineral income and in travel expenditure increase the ratio because they have more impact on RTS (as a measure of tax revenue potential) than they do on PCI (a measure of ability to pay). The other results can be interpreted similarly.

Finally, it is shown in *Table 9* that a fairly precise relationship exists between PCI and the other capacity measures. The other four measures (RTS, RRS, GSP, and TTR) are estimated using PCI, density, travel expenditure and mineral income as explanatory variables. The results suggest that if PCI is known for a state, the other measures of capacity can be estimated with a considerable degree of precision (given that information is known about the other explanatory variables). From 92% to 96% of the variation of these measures is explained by PCI and the three other explanatory variables. A more refined relationship of this type might allow analysts to make fairly accurate preliminary estimates of variables, such as RTS and RRS, up to a year before they are currently available, since PCI is available a year in advance of the more detailed data necessary for the other measures.

CONCLUSION

The 1985 measures of fiscal capacity reflect regional differences in state economic performance. The Southeast contains states with the lowest fiscal capacity, while New England, the Mideast, the Far West, and energy states have above average fiscal capacity. States in economic decline generally display increased tax ef-

Table 9

Regression Coefficients for Estimates of Capacity Measures

Dependent Variable	Explanatory Variables: Population Density	Mineral Income	Travel Expenditure	PCI (Constant)	R^2
RTS	-.00355	.041978	.067998	1.045440	.96
	(-2.97)	(20.54)	(8.17)	(14.63)	(-13.80)
RRS	-.00428	.069601	.052090	1.31247	.94
	(-2.01)	(19.13)	(3.52)	(10.31)	(40.07)
GSP	.018739	.021464	-.00792	.939681	.92
	(11.66)	(7.82)	(-.71)	(9.78)	(.532)
TTR	.018207	.014541	-.01047	.943111	.95
	(15.13)	(7.07)	(-1.25)	(13.11)	(2.38)

Note: t values in parenthesis; see *Table 7.*

Sources: See *Table 7.*

fort, while states experiencing growth have reduced tax effort. The tax effort in several states with weakened economies was further heightened by legislated tax increases in 1982 and 1983.

The statistical analysis of the alternative fiscal capacity measures provides evidence on the close linkages among the ability-to-pay measures of fiscal capacity: Per Capita Income, Gross State Product, and Total Taxable Resources. Similarly, the two measures of governments' revenue-collecting potential—the Representative Tax and Representative Revenue indicators—are also closely associated with each other. The three factors shown to be associated with disagreement in the various measures' scores for a particular state are population density, poverty level (in some instances), mineral income and travel expenditures.

Very likely, the RRS and the RTS capacity scores for a state could be accurately predicted using these three factors and per capita income, which would make these important data available in a more timely fashion. The RTS and RRS scores now require the collection and organization of a substantial amount of data, which delays their availability.

We believe that the RTS and RRS will continue to be of major importance in the measurement and analysis of state-local fiscal capacity, particularly with speedier preparation. As has been mentioned, the Representative Tax System emphasizes taxes, while the more inclusive Representative Revenue System incorporates nontax revenue sources. The RTS and RRS remain valuable aids to state and local officials in making revenue policy choices because of the disaggregated, base-specific data they uniquely provide. At the federal level also, the RTS/RRS have contributed to the debate on improving the measurement of fiscal capacity.

ACIR's development and refinement of the RTS over more than 20 years, along with criticisms of both the per capita income and the RTS measures, have changed the terms of debate. No longer is simple PCI the only approach to measuring fiscal capacity. Instead, the possibilities include the RTS, the RRS, more sophisticated income measures that explicitly adjust for tax exporting, and measures disaggregating personal income, such as the index of total taxable resources discussed in the appendix.

Although each approach has its pluses and minuses—since each derives from a different conception of fiscal capacity—RTS/RRS possess several advantages, especially as indicators of governments' revenue-collecting potential. For one, implementation of an export-adjusted income measure (EAI) suffers from the extremely difficult problem of explicitly measuring and correcting for tax exportation. This is a reason why the EAI figures for 1981 have not been updated. For another, RTS and RRS have displayed adaptability in their ability to accommodate a number of criticisms and concerns, as explained in previous reports in this ACIR series. As measures of fiscal capacity, the RTS/RRS stake out the middle ground between a severely limited measure—per capita personal income—and highly sophisticated, more theoretically elegant models that are difficult both to make operational and to explain to policymakers.

NOTES

[1]The "Acknowledgments & Related Reports" page cites these reports.

[2]Conversely, the RTS and RRS also account for at least some types of tax importation, or the payment of taxes by the residents of one state to the government of another state. For example, if a Michigan resident vacations in Hawaii, Michigan's fiscal capacity is reduced to the extent that Hawaii is able to tax the consumption goods or services that would otherwise have been purchased in Michigan. However, the issue of tax importation has not received as much attention as that of tax exportation, probably because it

is even more difficult to measure and because its effects are more evenly distributed among the states.

[3]For 1985, a modified calculation of severance tax bases is responsible for much of the increase in Alaska's estimated tax capacity, compared to 1984.

[4]See *Appendix A*, derived from ACIR (M-150), September 1986.

Section 2

Fiscal Capacity Charts: State by State

This section contains graphs that present the RTS and RRS data on a state-by-state basis. The graphs show the fiscal capacity figures both over time and by selected revenue bases for 1985. The graphs make it easy to visualize a state's fiscal choices and also facilitate interstate comparisons.

The top graph on each page records the RTS tax capacity and tax effort indices—all tax bases—for each state for selected years from 1975 to 1985. These graphs show trends in each state's capacity and effort and illustrate the relative positions of the capacity and effort indices during the 1975-85 period.

Whereas the top graph on each page shows the RTS data over time, the bottom graph presents detailed 1985 data for eight selected revenue bases. (The first seven bases are included in the RTS; the eighth appears only in the RRS.) Estimated state fiscal capacity per capita, actual state revenue collections per capita, and the U.S. average fiscal capacity per capita are shown for each of the following bases:

general sales tax,
total selective sales taxes,
total license taxes,
personal income tax,
corporate net income tax,
total property taxes,
total mineral revenues, and
user charges.

("Mineral revenues" are the sum of severance tax proceeds, rents and royalties, and grants received under the *Federal Mineral Leasing Act*. The first of these bases is included in the RTS.)

The bottom graph shows directly the degree to which a state utilizes a particular tax or other revenue source relative to other states. If the first bar (capacity) exceeds the second bar (revenue) for a particular tax, then the state is raising less revenue from that source than the "average state" would raise given the same base. Conversely, if the revenue bar exceeds the capacity bar, the state is taxing that base more heavily than average.

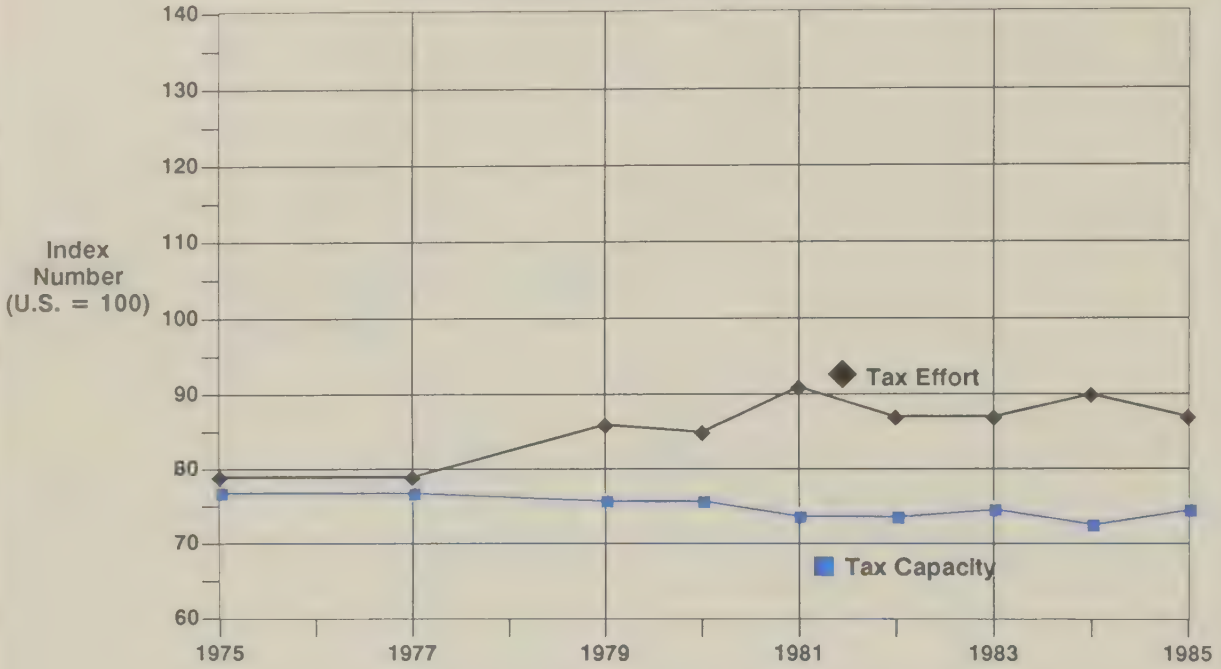
The lower graphs can also be interpreted to show how a state's mix of revenue sources compares to that of other states. For example, if a state's revenue exceeds its capacity for the general sales tax and income tax but falls below its capacity for property taxation, then that state has a tax mix that emphasizes sales and income taxation but deemphasizes the property tax. The extent to which actual revenue exceeds capacity (or vice versa) provides a measure of the burden a state places on one revenue base in relation to another base and in relation to other states.

Alabama

1985 RTS Tax Capacity = 75

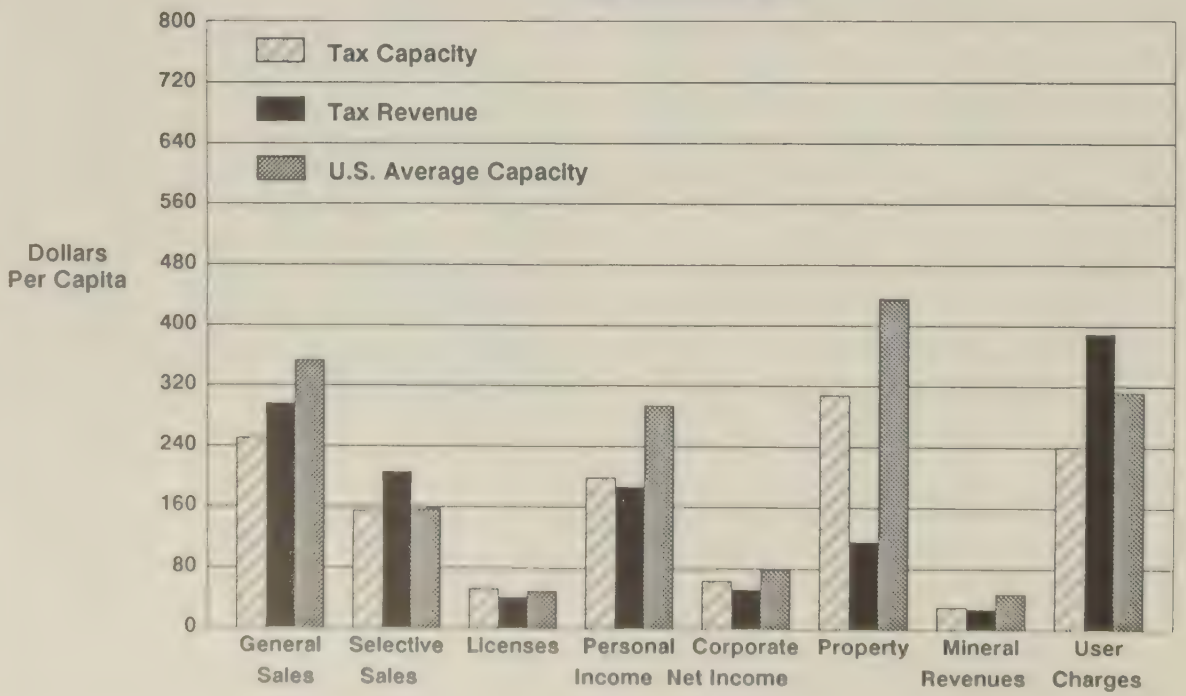
1985 RTS Tax Effort = 87

Total Tax Capacity and Effort, 1975-85



1985 Tax Capacity and Tax Revenue

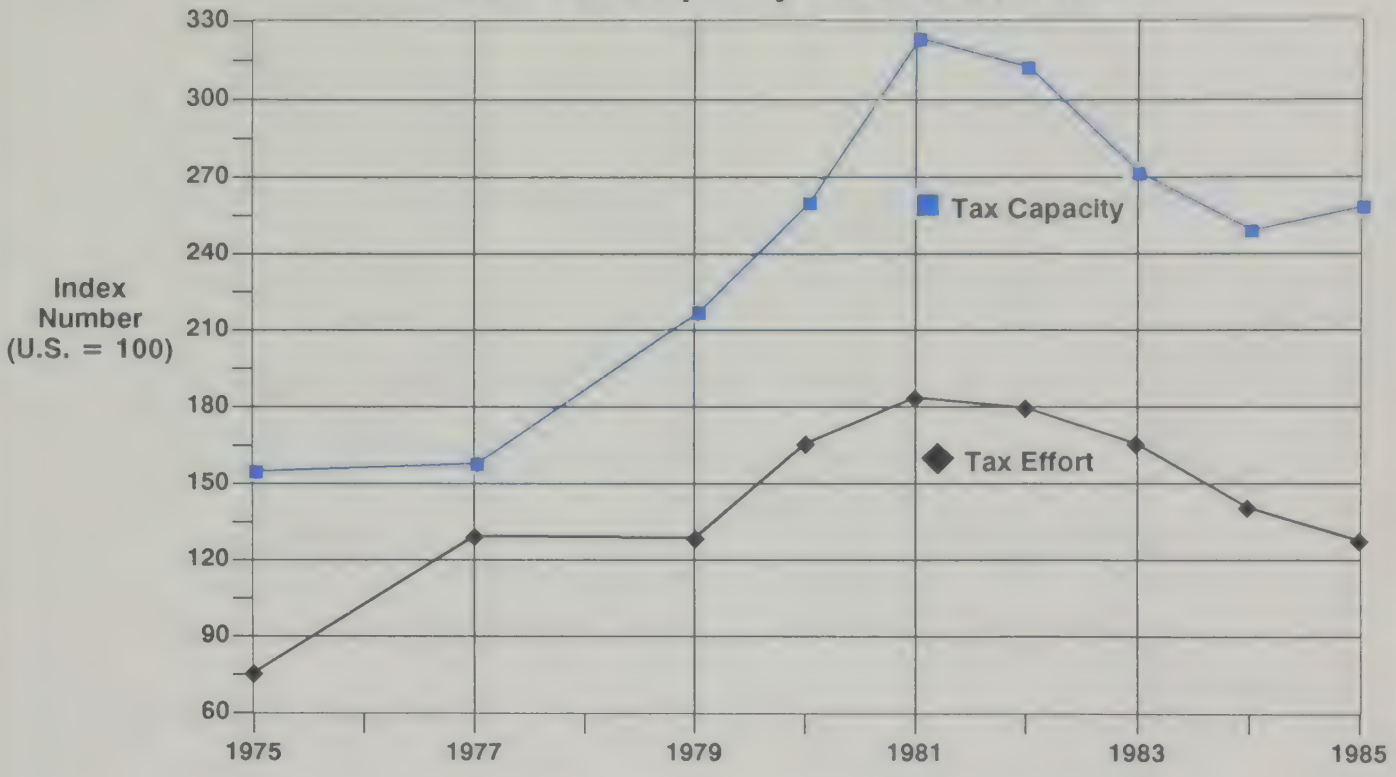
Selected Tax Bases



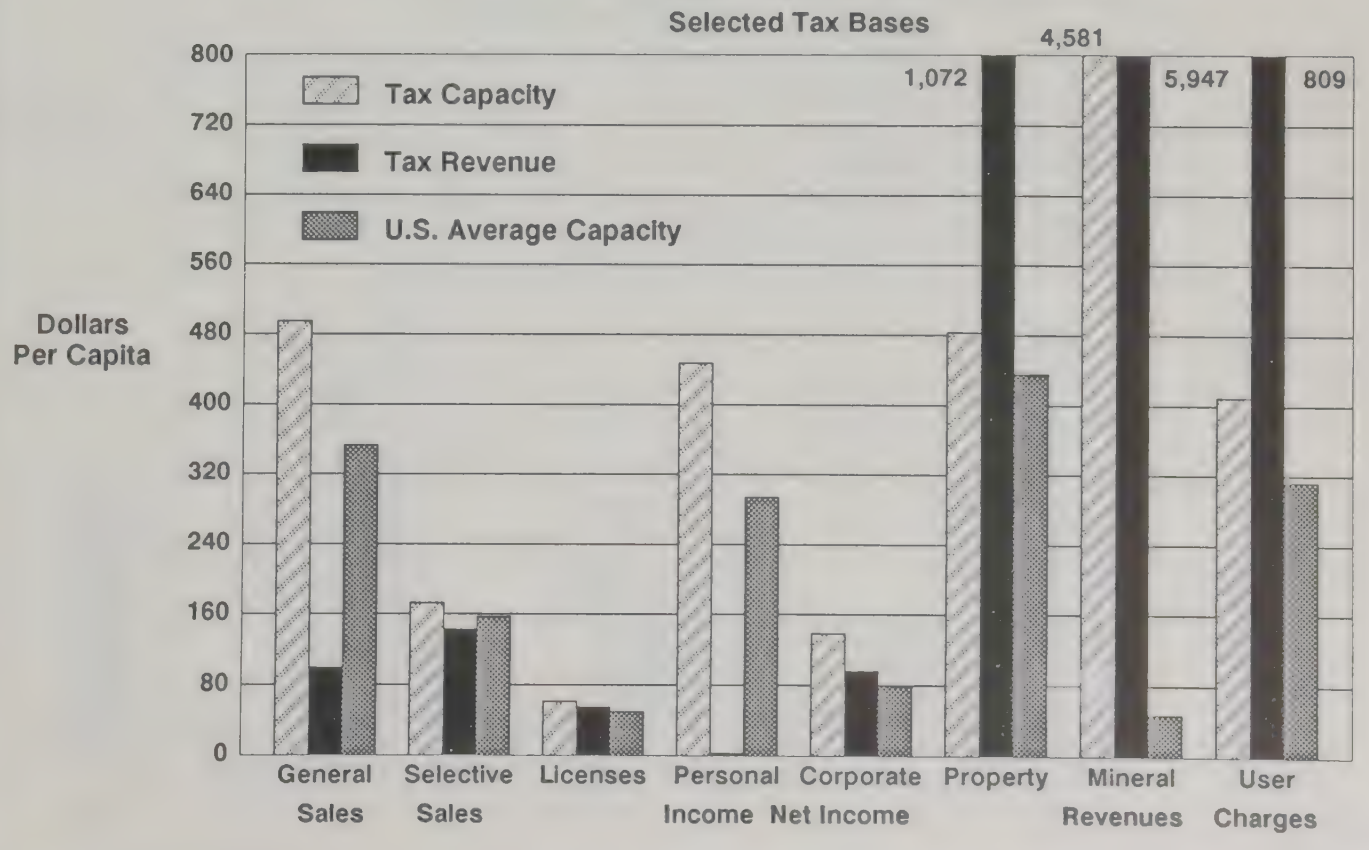
Alaska

1985 RTS Tax Capacity = 259 **1985 RTS Tax Effort = 128**

Total Tax Capacity and Effort, 1975-85



1985 Tax Capacity and Tax Revenue

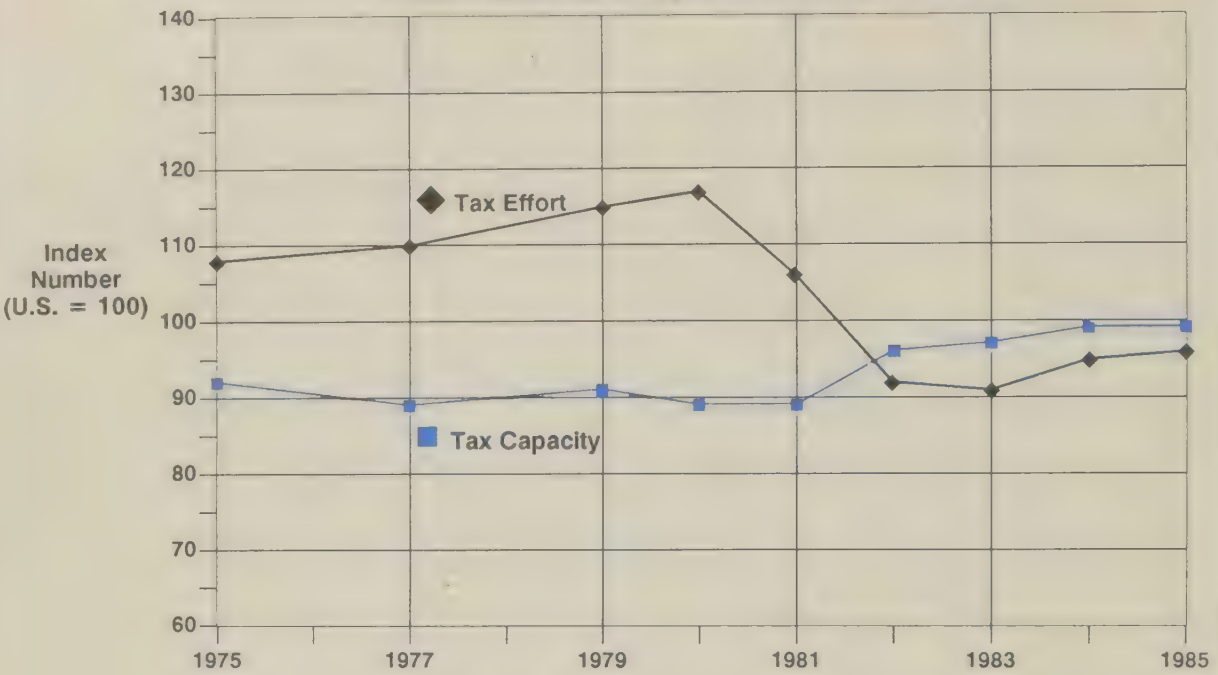


Arizona

1985 RTS Tax Capacity = 99

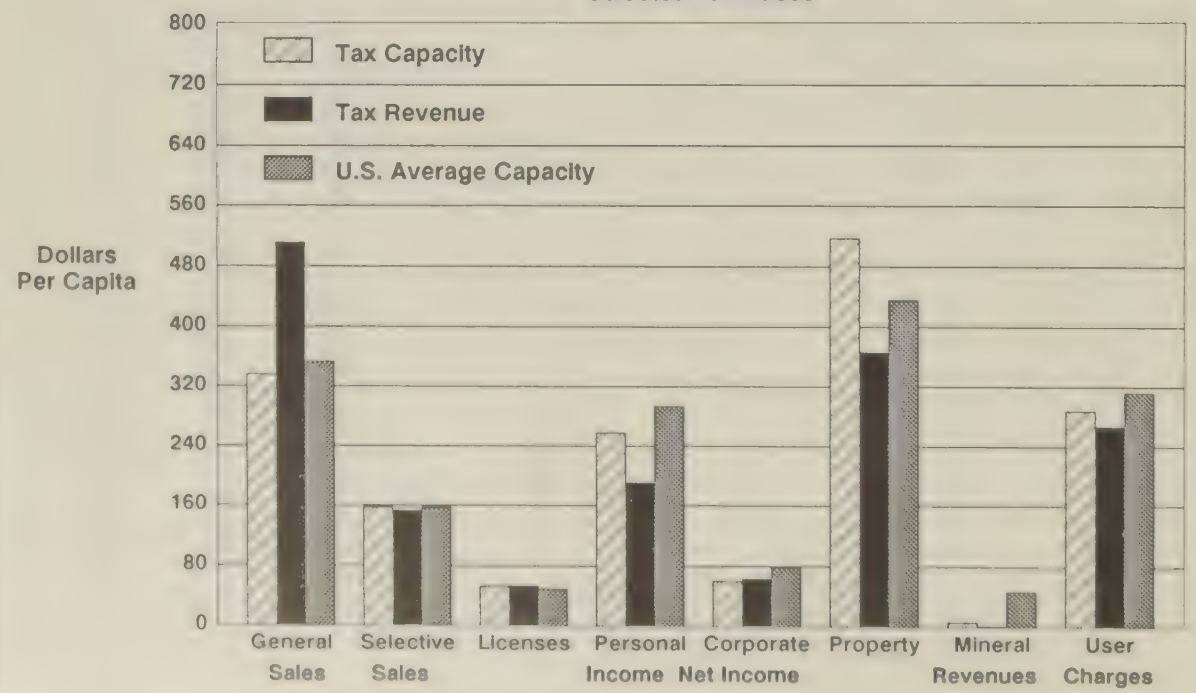
1985 RTS Tax Effort = 96

Total Tax Capacity and Effort, 1975-85



1985 Tax Capacity and Tax Revenue

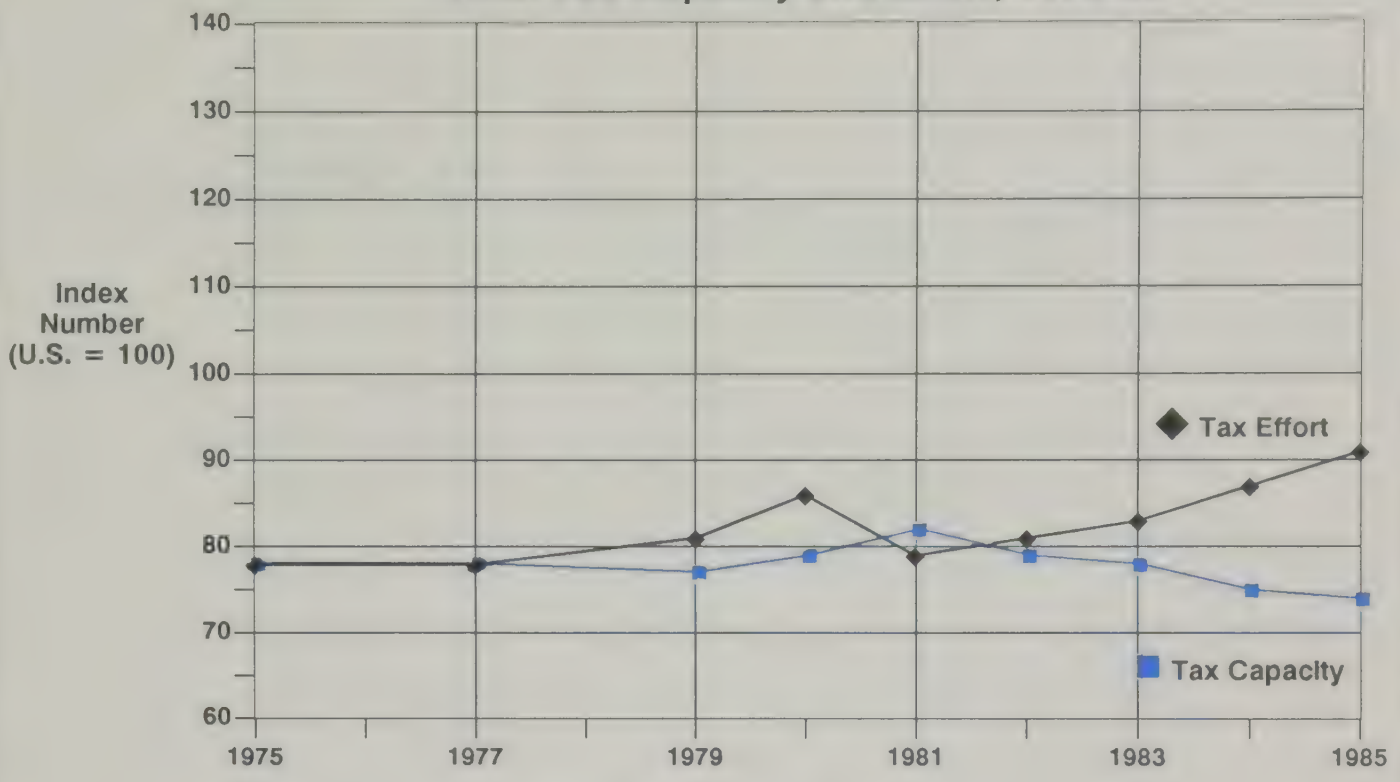
Selected Tax Bases



Arkansas

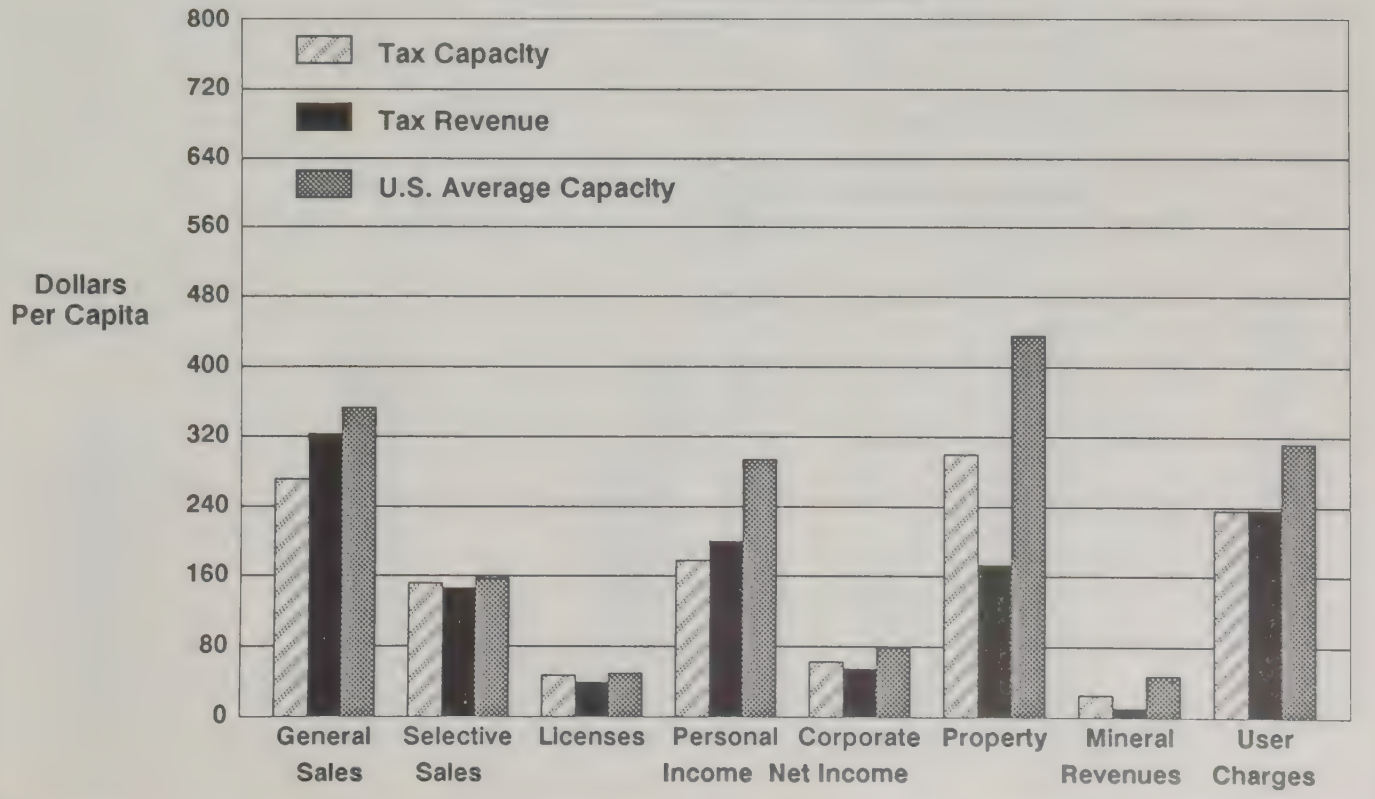
1985 RTS Tax Capacity = 74 **1985 RTS Tax Effort = 91**

Total Tax Capacity and Effort, 1975-85



1985 Tax Capacity and Tax Revenue

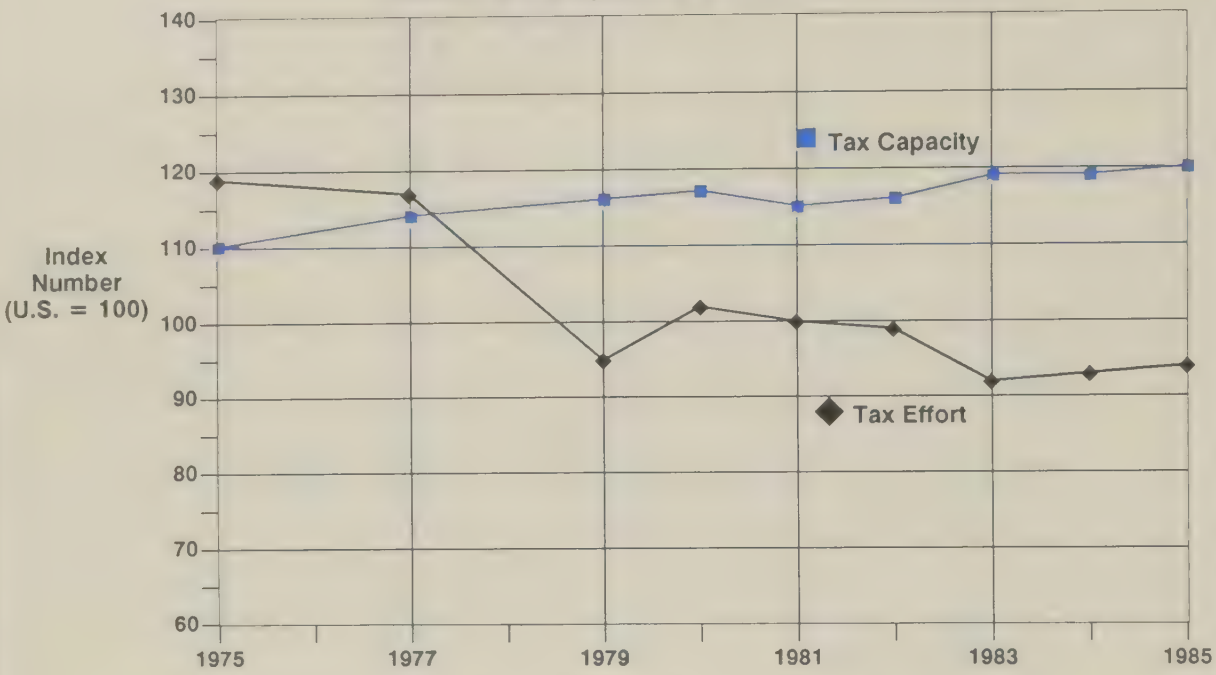
Selected Tax Bases



California

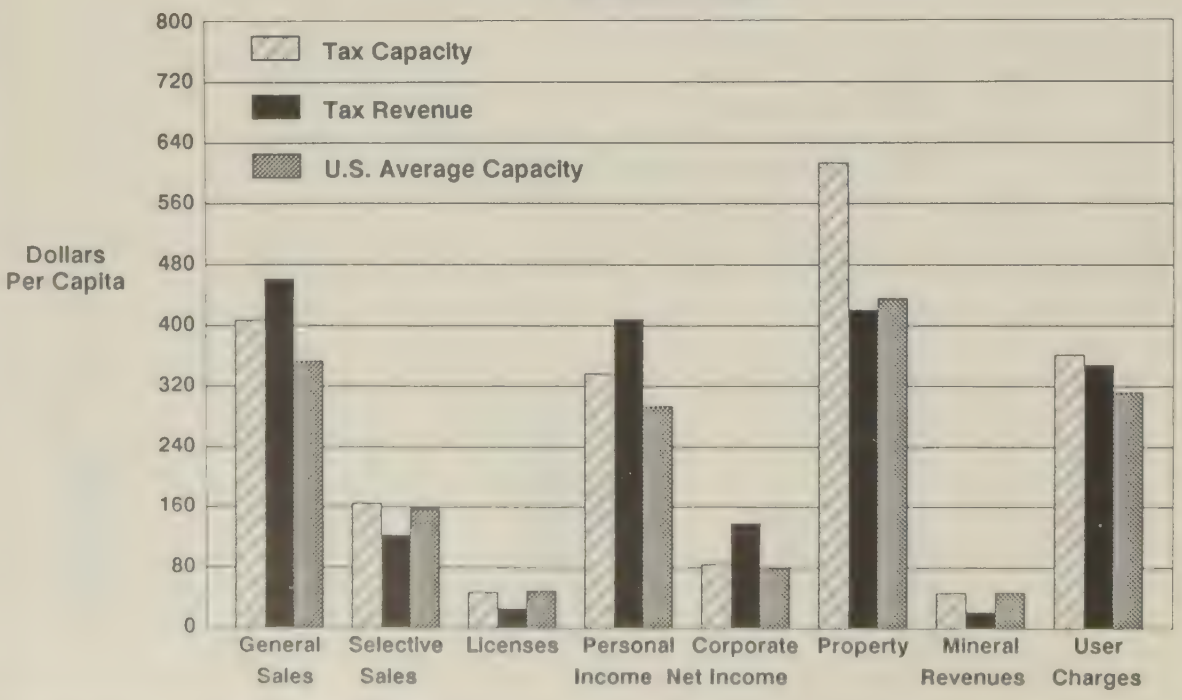
1985 RTS Tax Capacity = 120 **1985 RTS Tax Effort = 94**

Total Tax Capacity and Effort, 1975-85



1985 Tax Capacity and Tax Revenue

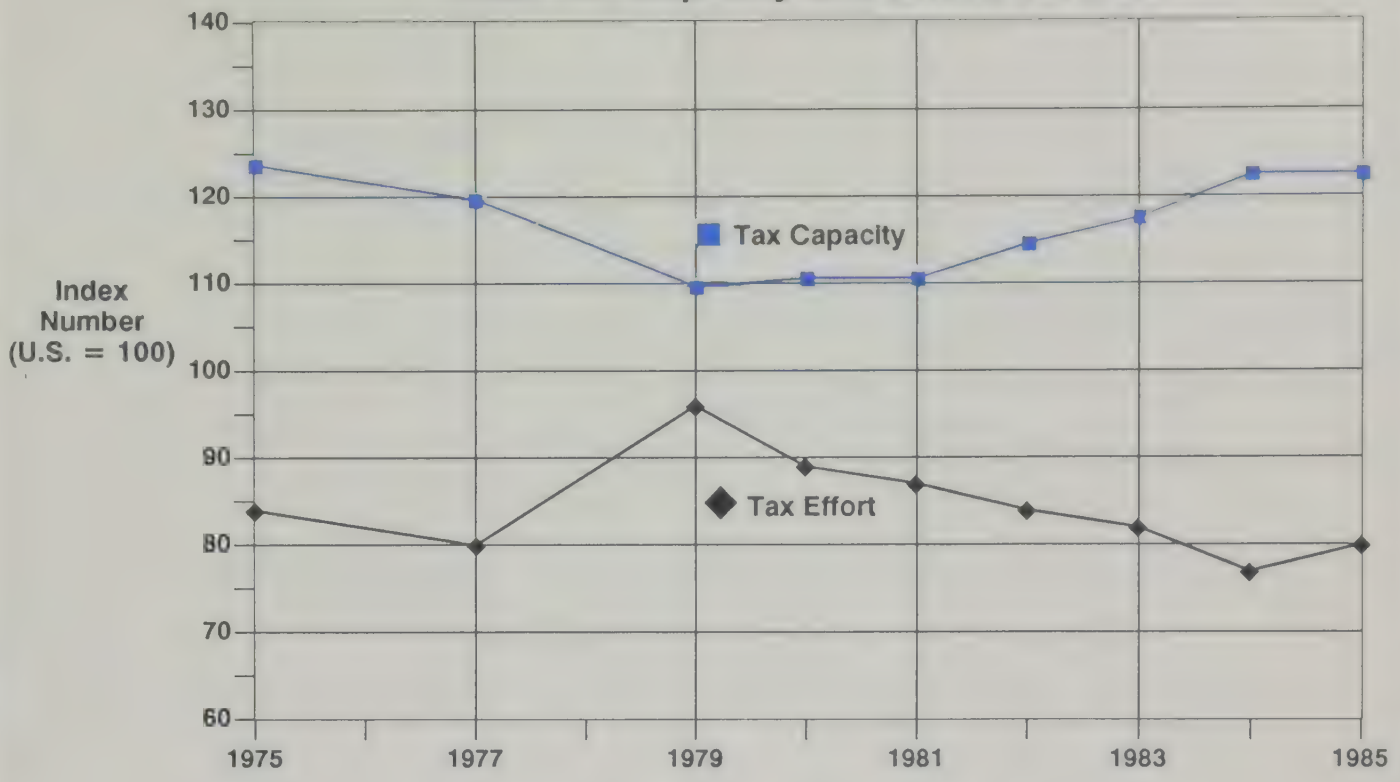
Selected Tax Bases



Delaware

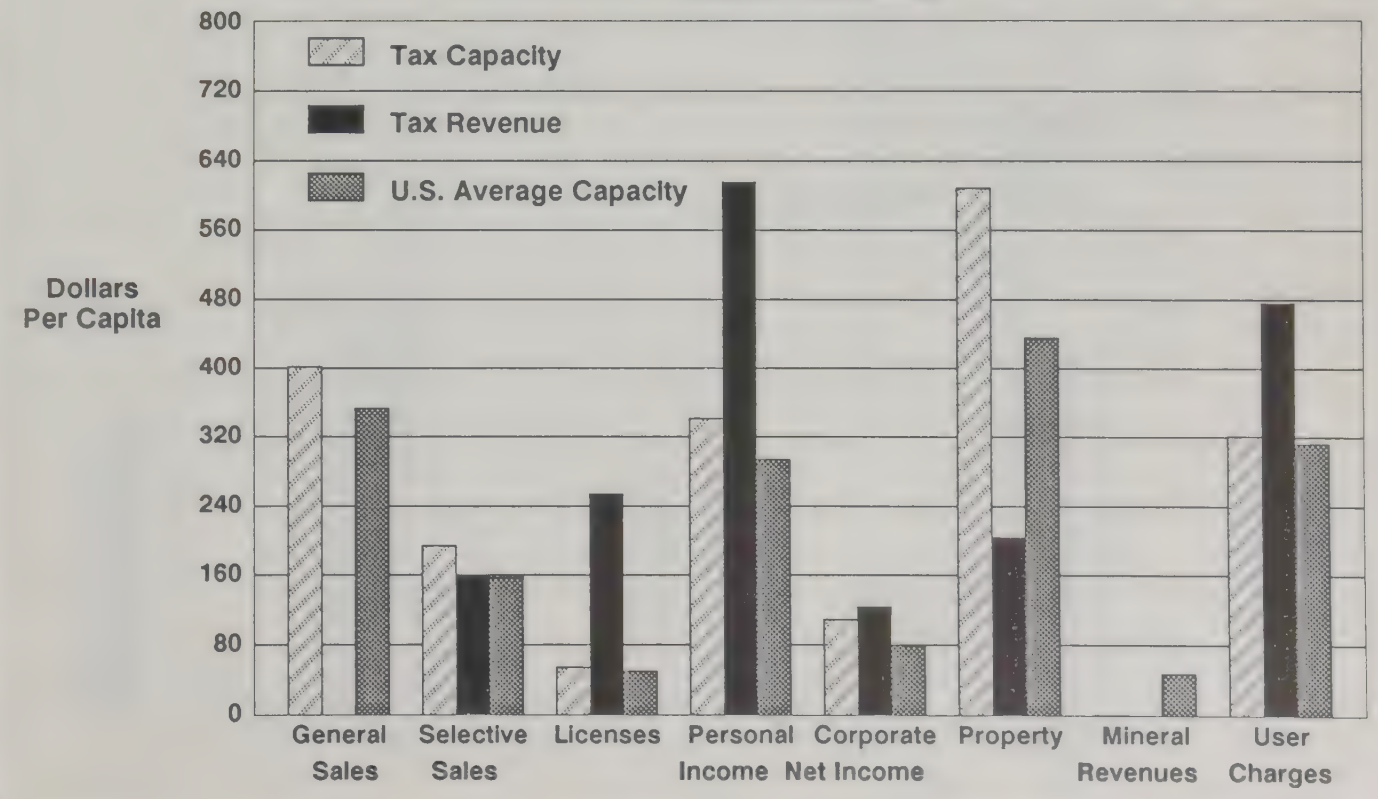
1985 RTS Tax Capacity = 123 **1985 RTS Tax Effort = 80**

Total Tax Capacity and Effort, 1975-85



1985 Tax Capacity and Tax Revenue

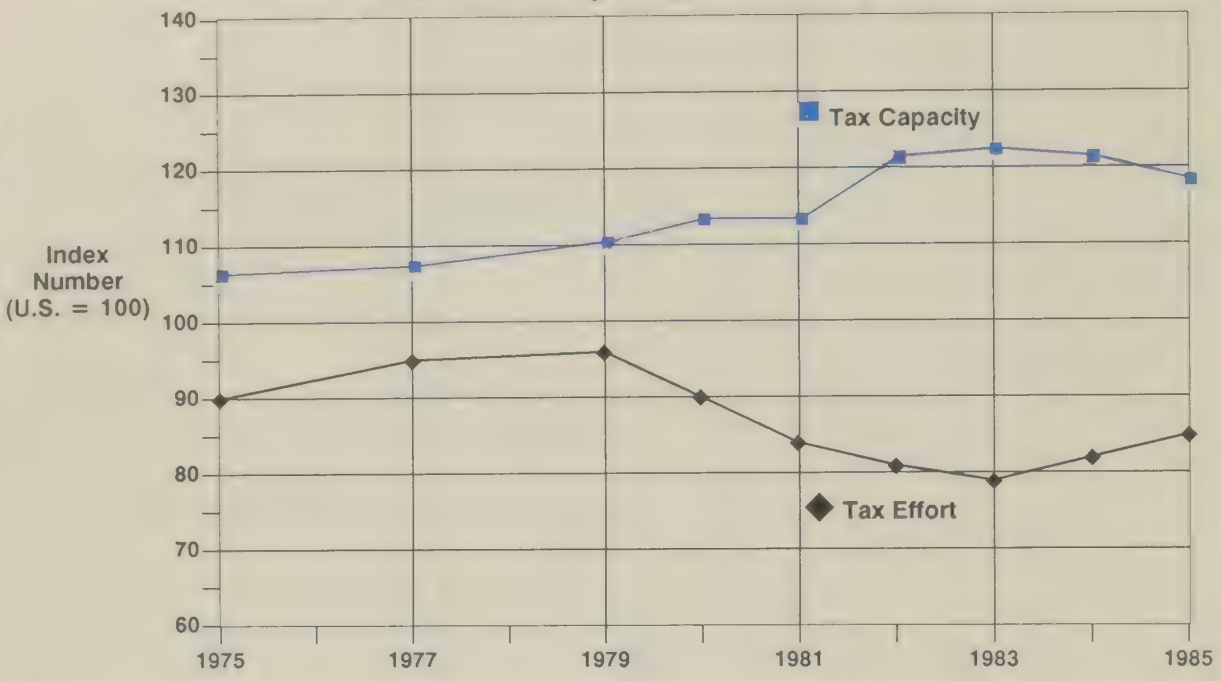
Selected Tax Bases



Colorado

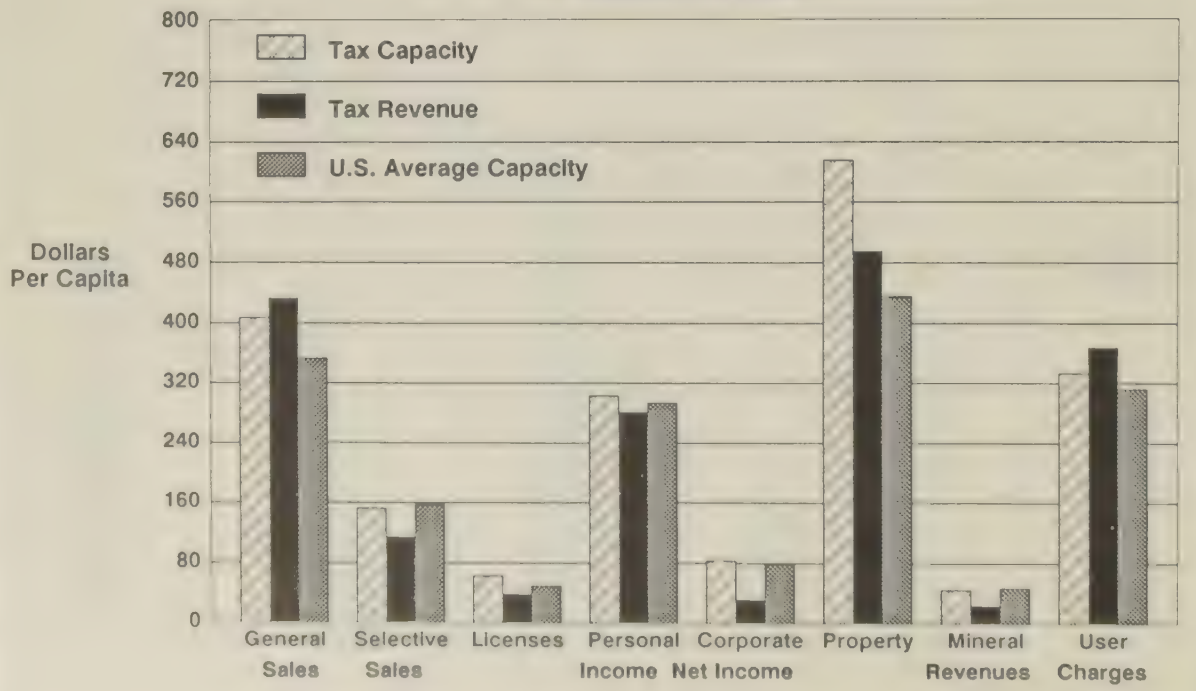
1985 RTS Tax Capacity = 118 **1985 RTS Tax Effort = 85**

Total Tax Capacity and Effort, 1975-85



1985 Tax Capacity and Tax Revenue

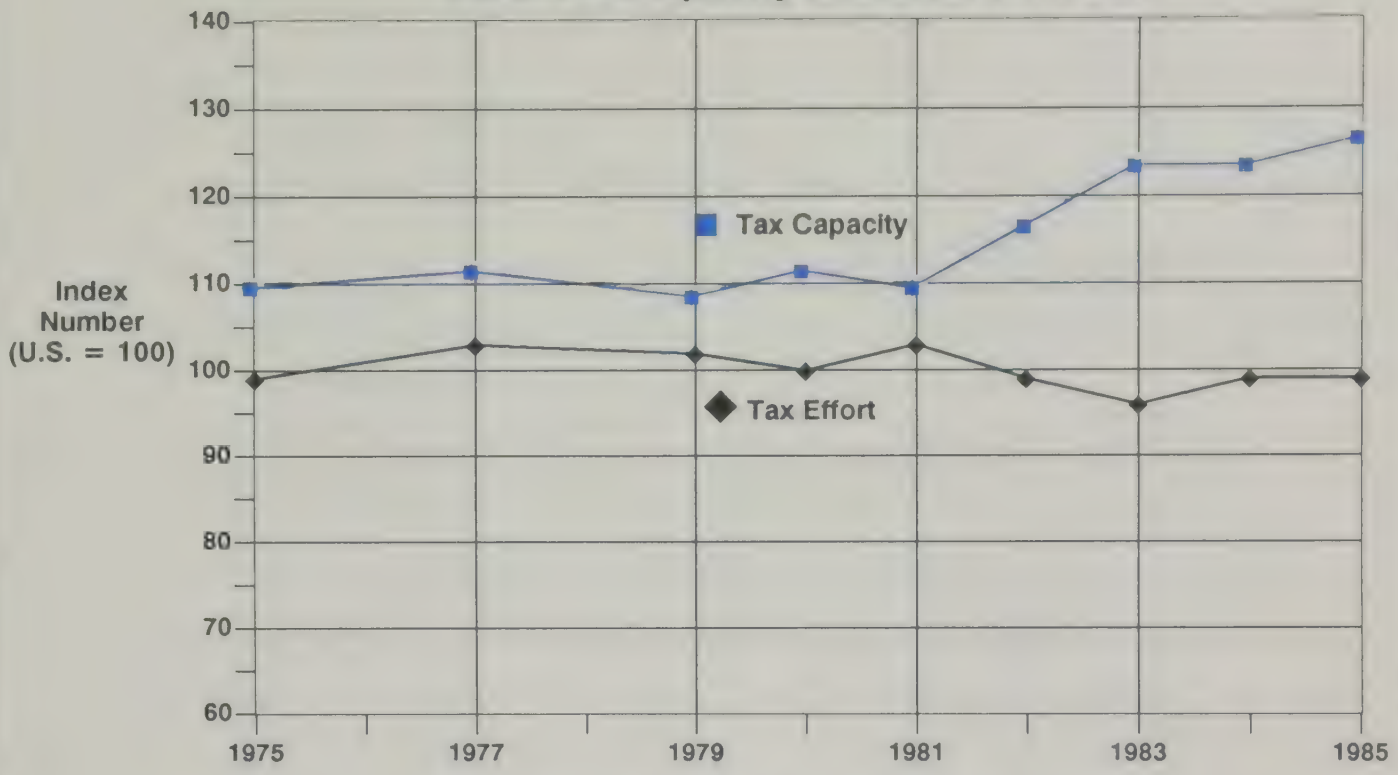
Selected Tax Bases



Connecticut

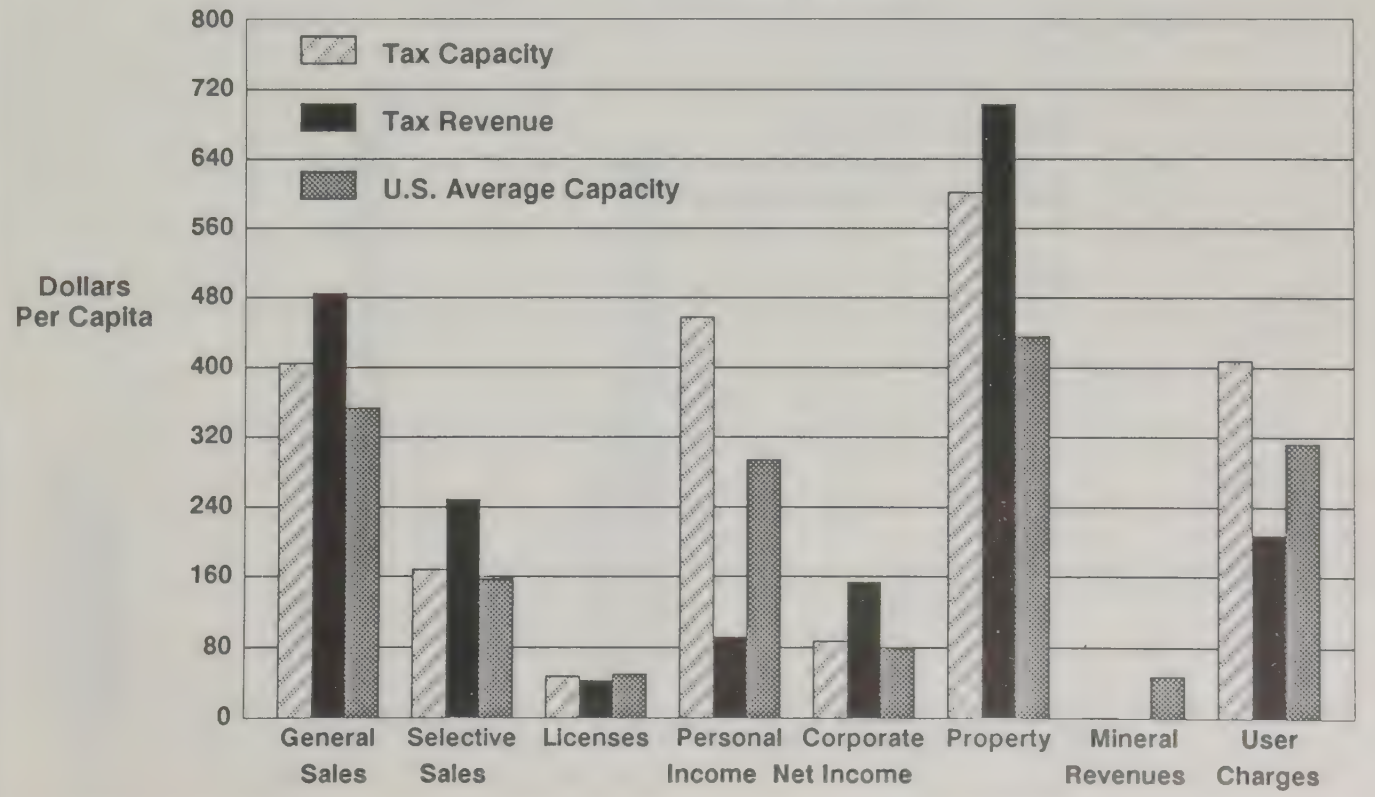
1985 RTS Tax Capacity = 127 **1985 RTS Tax Effort = 99**

Total Tax Capacity and Effort, 1975-85



1985 Tax Capacity and Tax Revenue

Selected Tax Bases

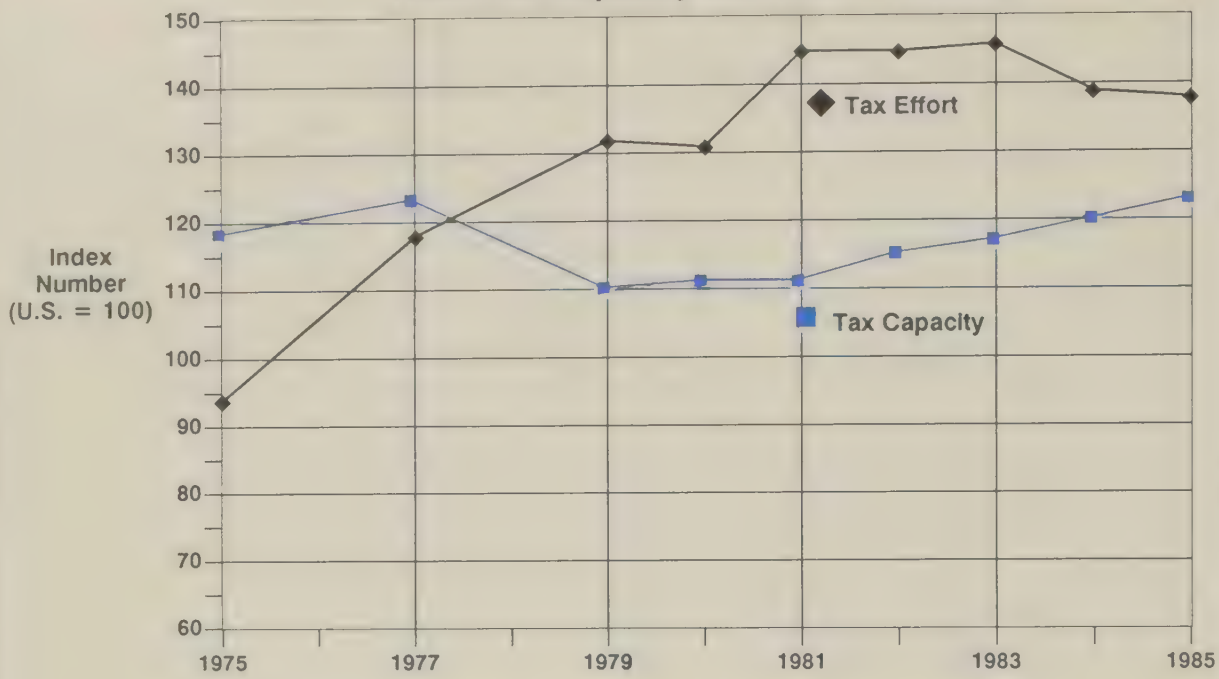


Washington, DC

1985 RTS Tax Capacity = 123

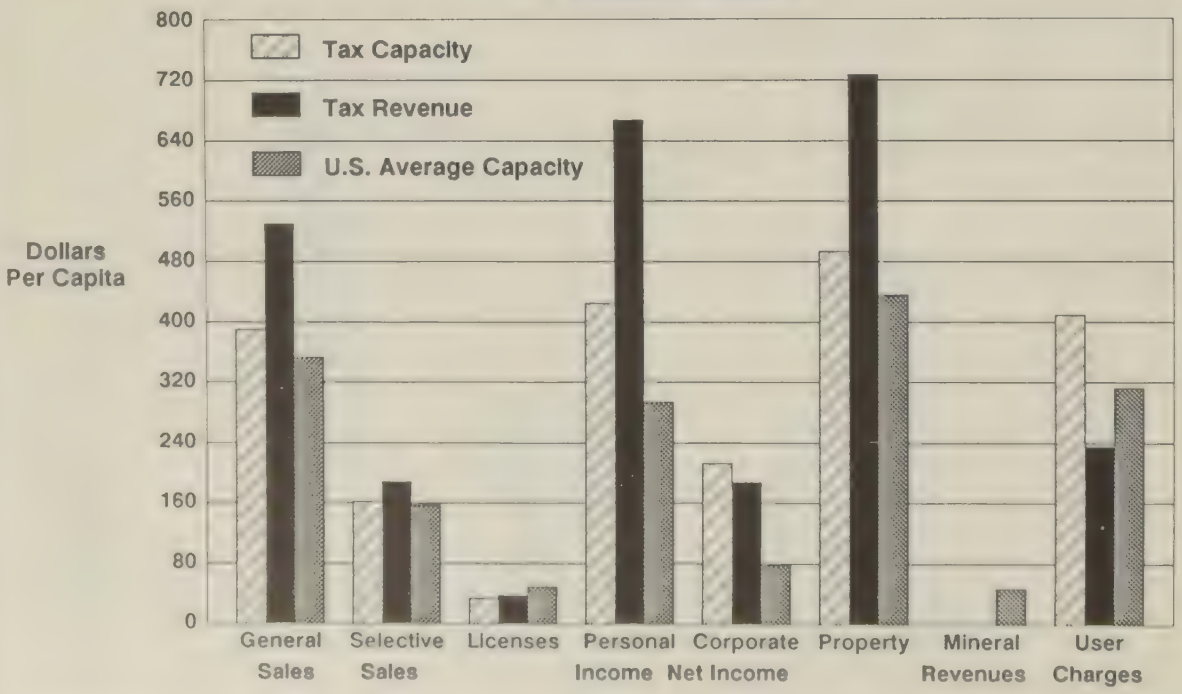
1985 RTS Tax Effort = 138

Total Tax Capacity and Effort, 1975-85



1985 Tax Capacity and Tax Revenue

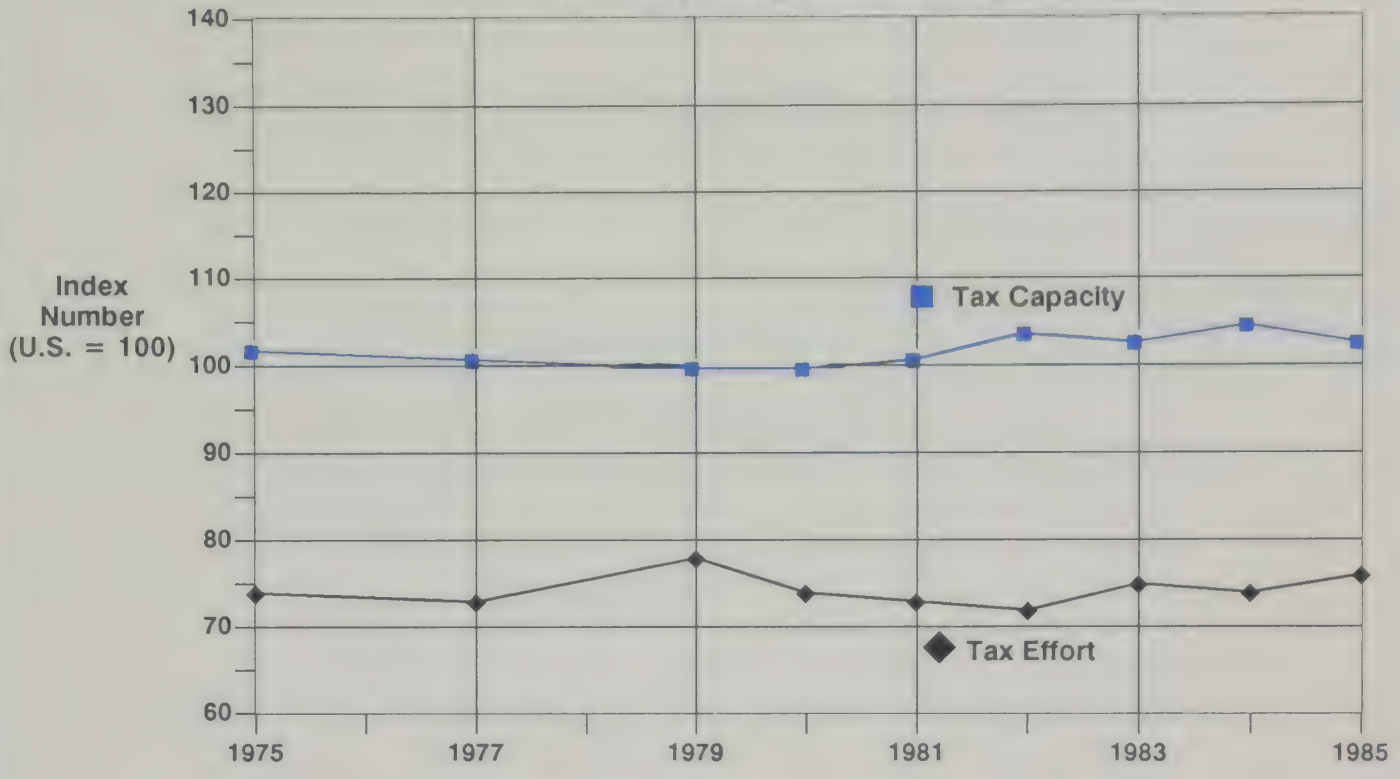
Selected Tax Bases



Florida

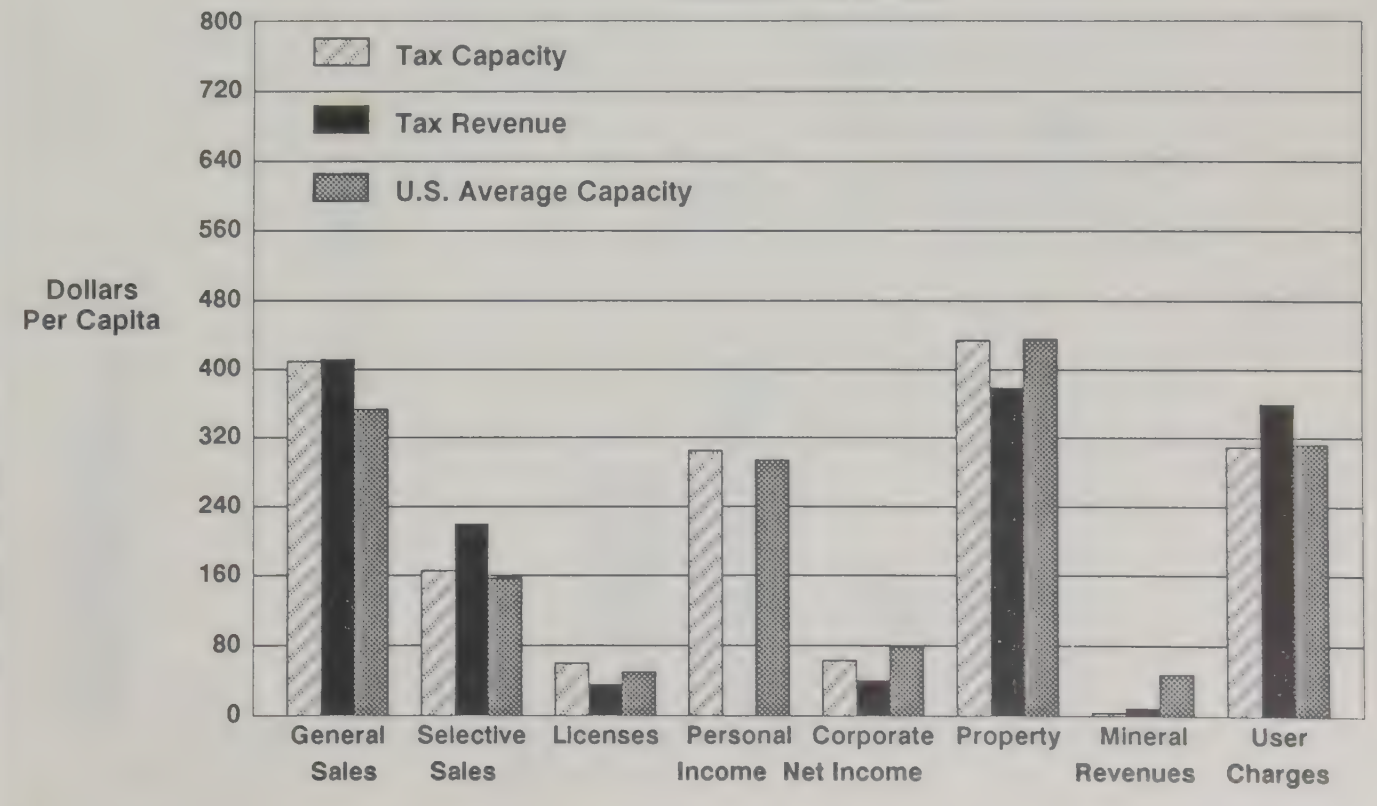
1985 RTS Tax Capacity = 103 **1985 RTS Tax Effort = 76**

Total Tax Capacity and Effort, 1975-85



1985 Tax Capacity and Tax Revenue

Selected Tax Bases

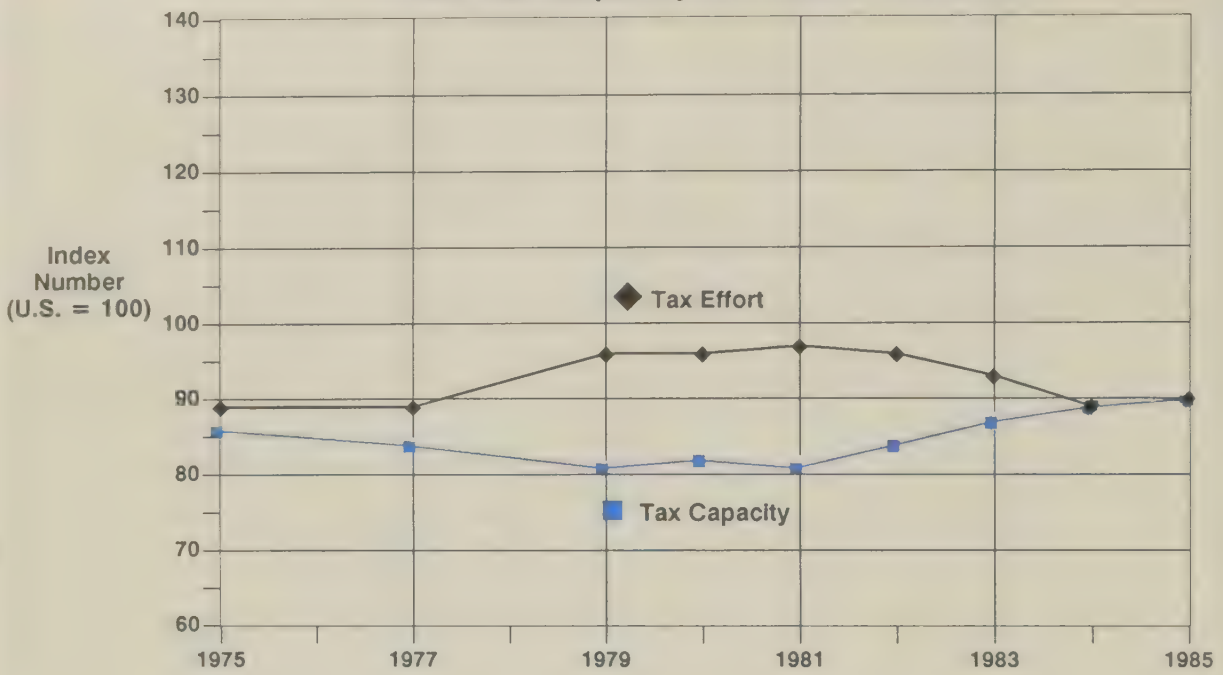


Georgia

1985 RTS Tax Capacity = 90

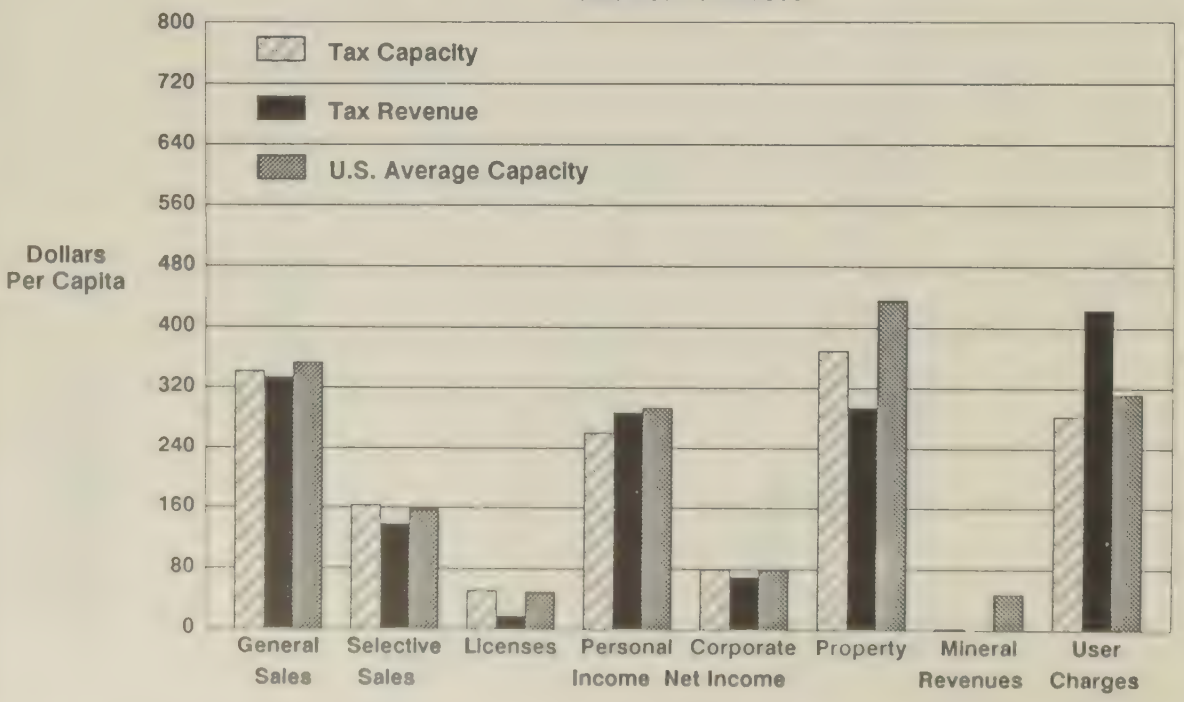
1985 RTS Tax Effort = 90

Total Tax Capacity and Effort, 1975-85



1985 Tax Capacity and Tax Revenue

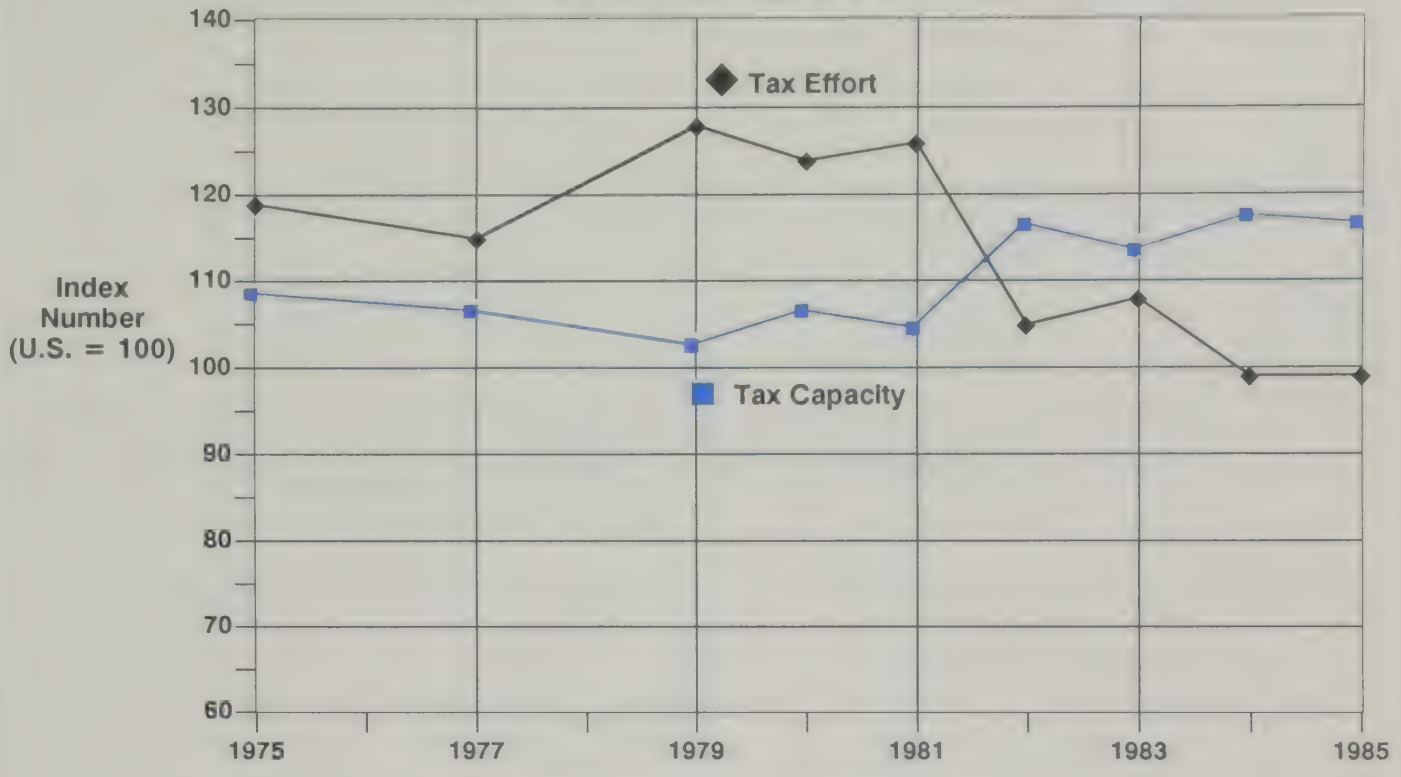
Selected Tax Bases



Hawaii

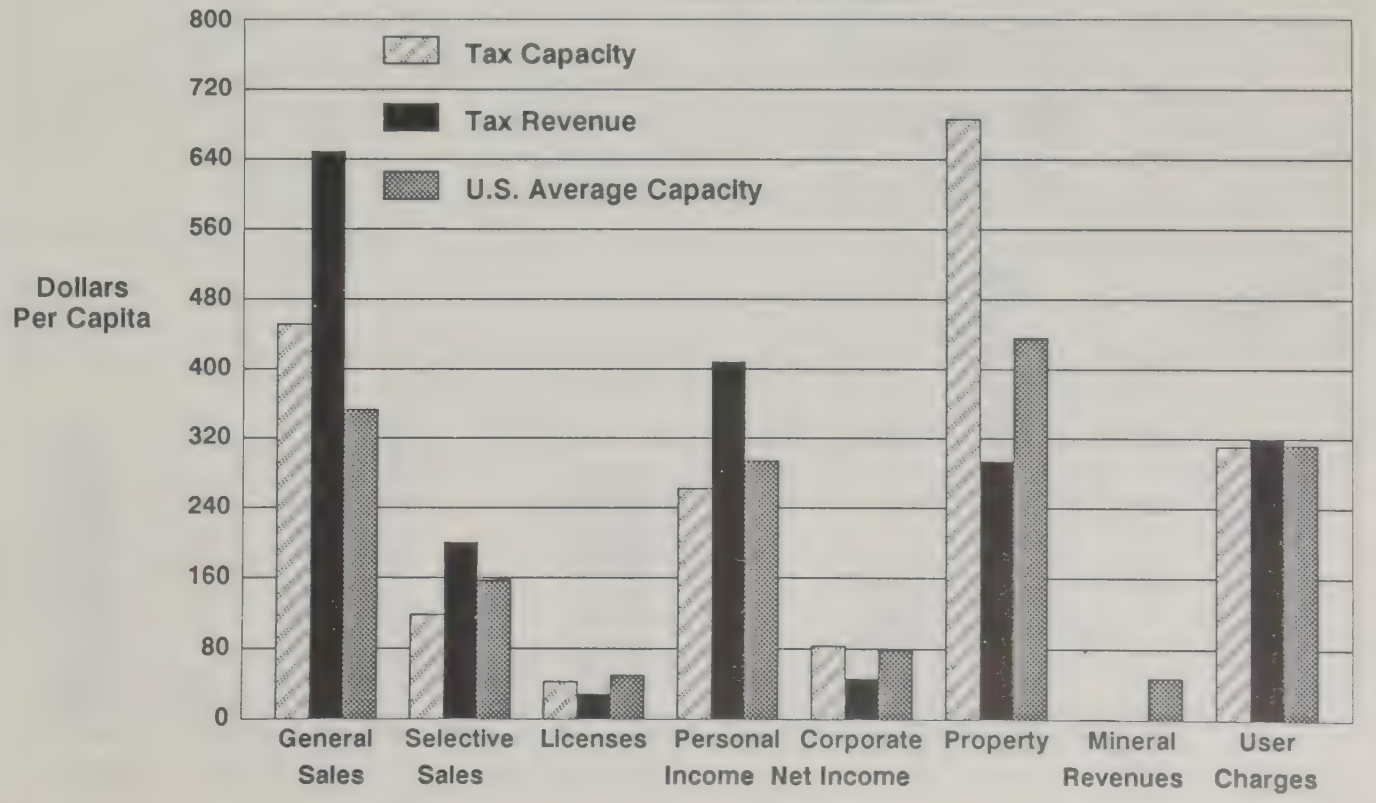
1985 RTS Tax Capacity = 117 **1985 RTS Tax Effort = 99**

Total Tax Capacity and Effort, 1975-85



1985 Tax Capacity and Tax Revenue

Selected Tax Bases

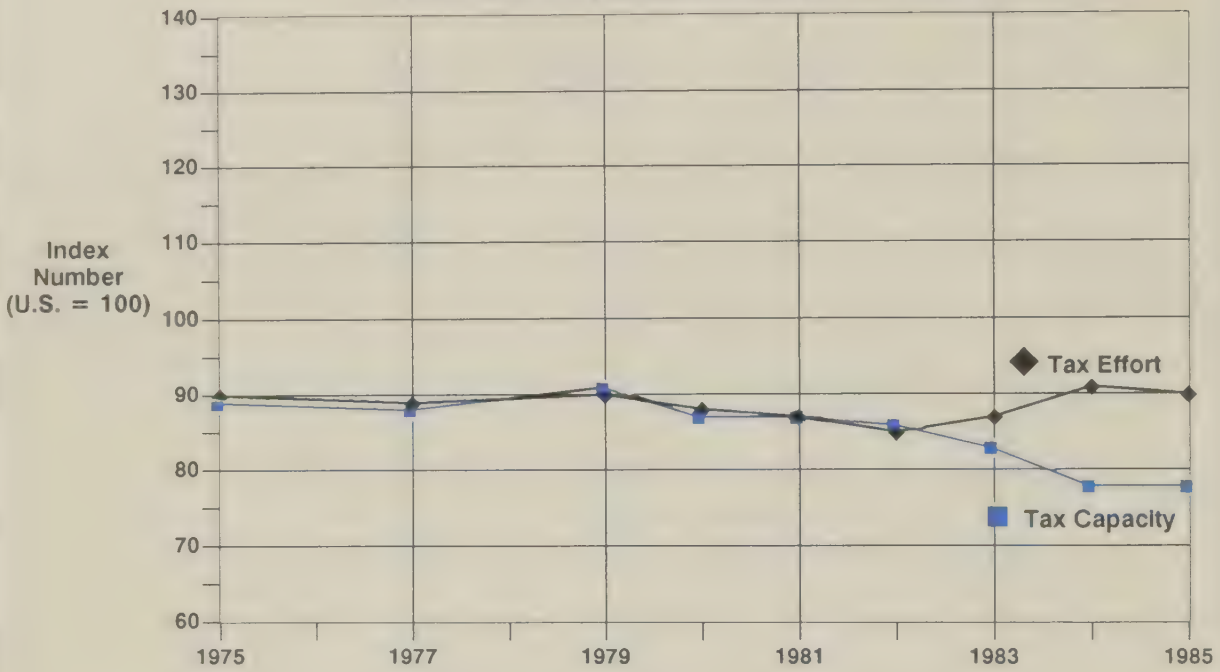


Idaho

1985 RTS Tax Capacity = 78

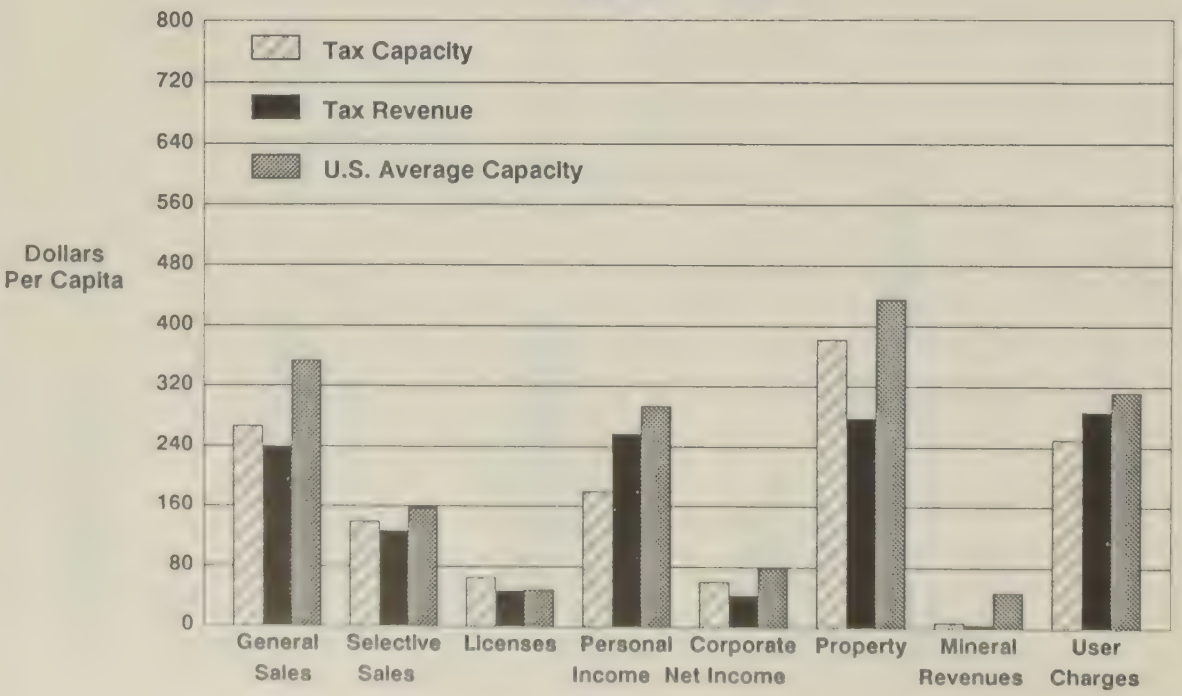
1985 RTS Tax Effort = 90

Total Tax Capacity and Effort, 1975-85



1985 Tax Capacity and Tax Revenue

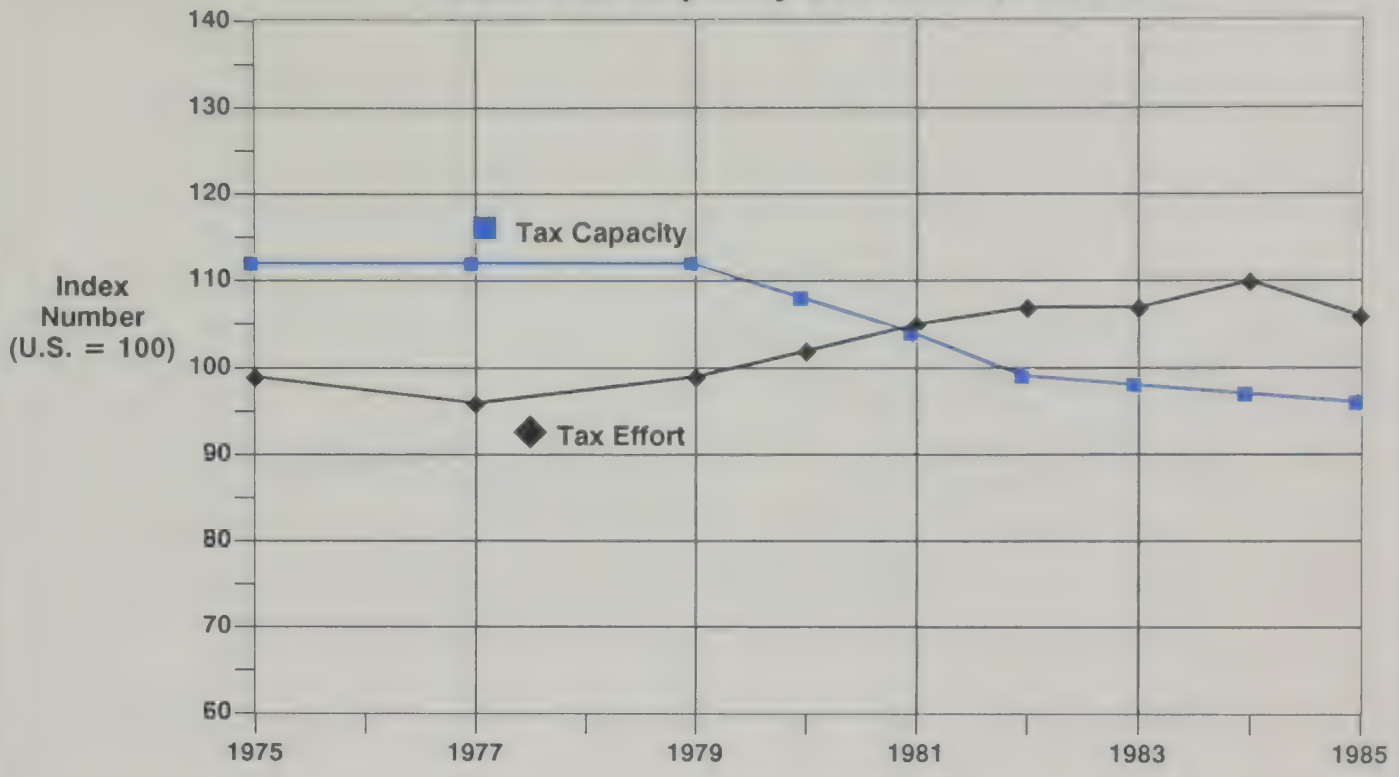
Selected Tax Bases



Illinois

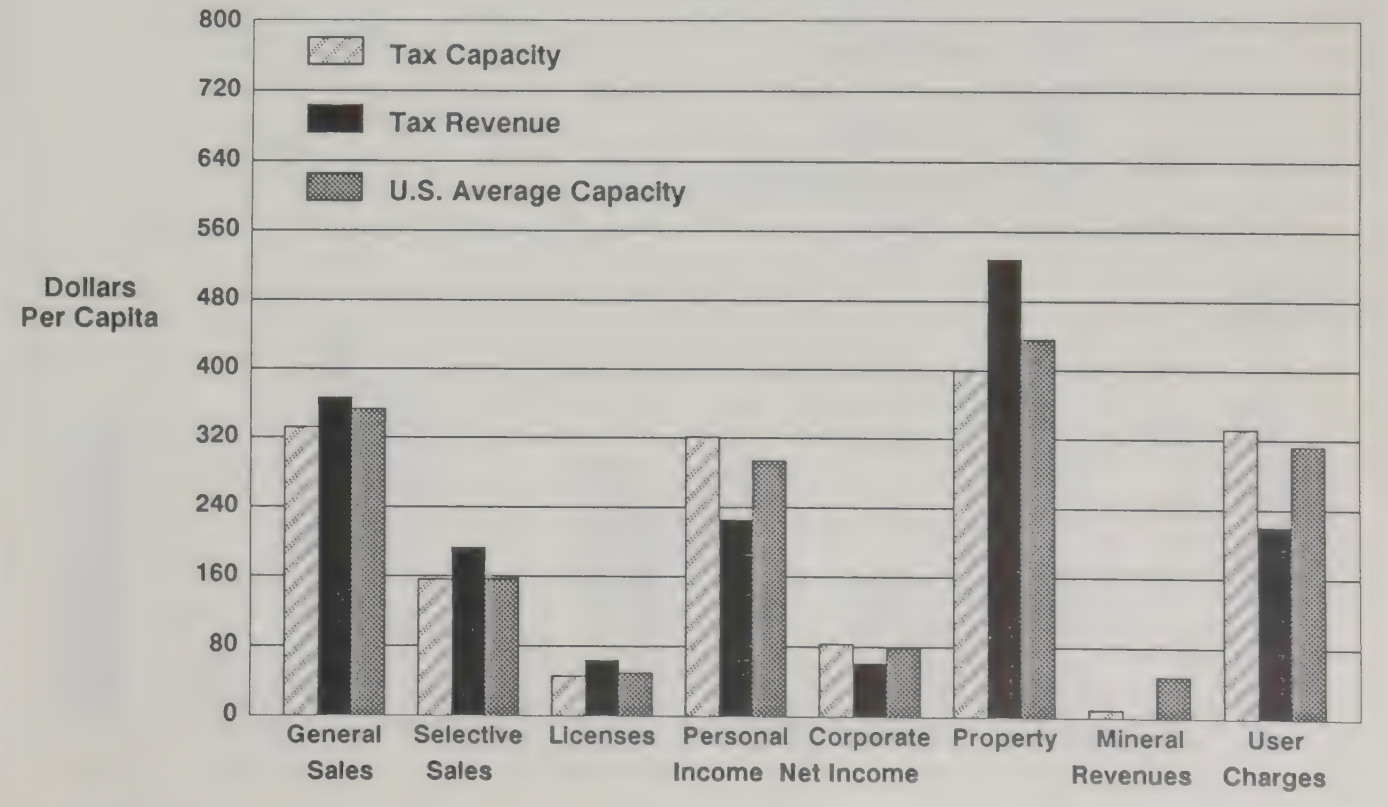
1985 RTS Tax Capacity = 96 **1985 RTS Tax Effort = 106**

Total Tax Capacity and Effort, 1975-85



1985 Tax Capacity and Tax Revenue

Selected Tax Bases

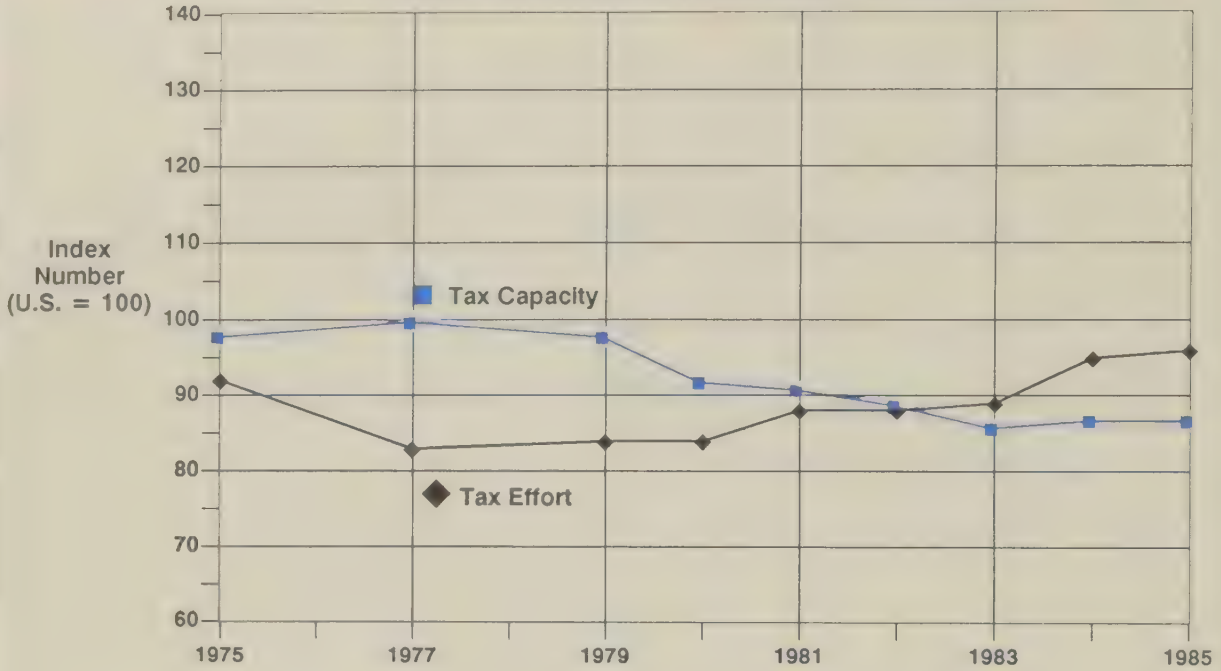


Indiana

1985 RTS Tax Capacity = 87

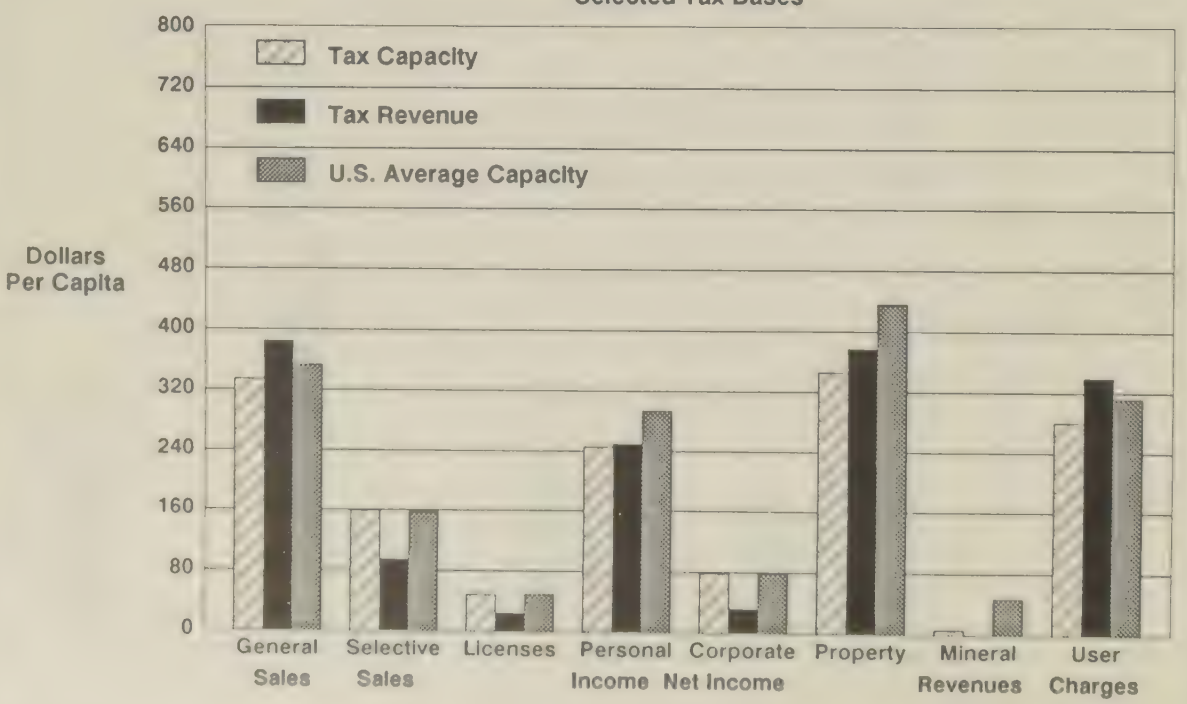
1985 RTS Tax Effort = 96

Total Tax Capacity and Effort, 1975-85



1985 Tax Capacity and Tax Revenue

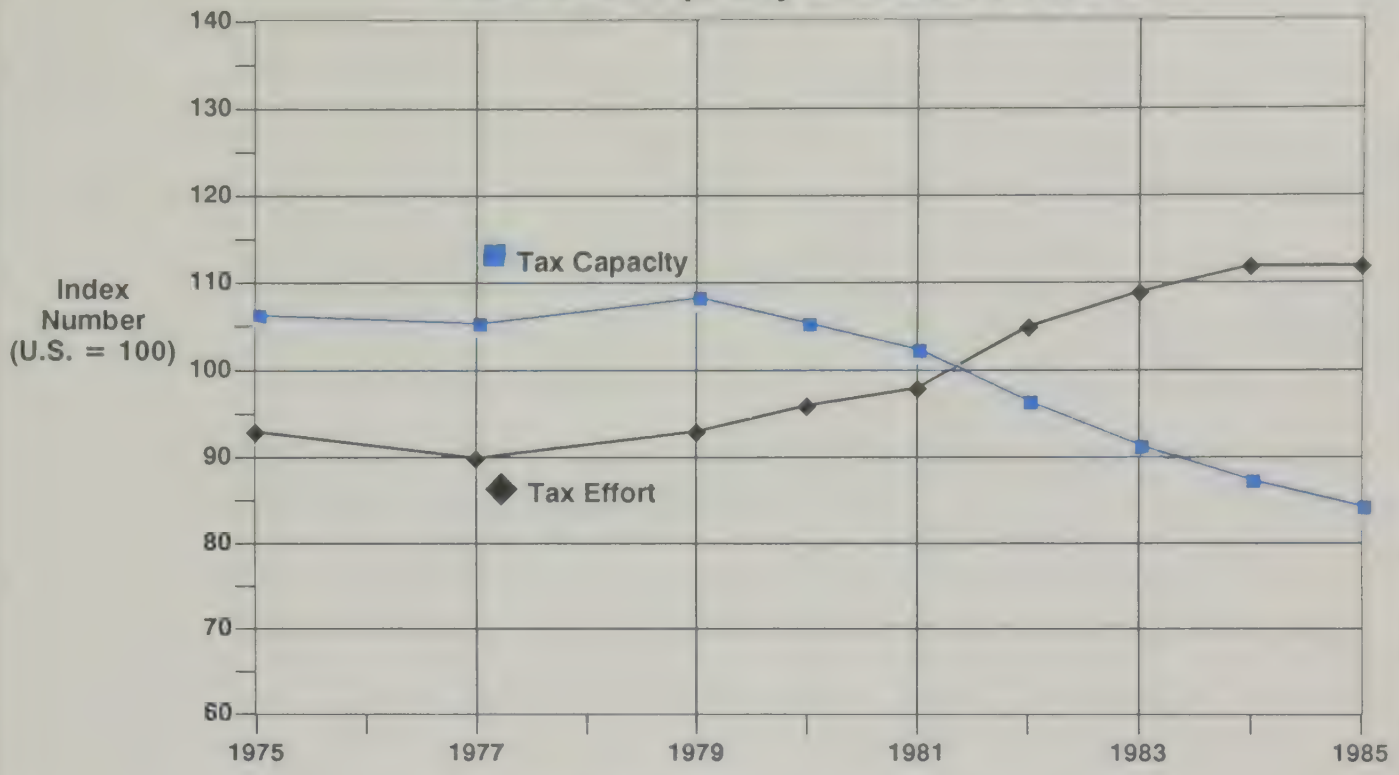
Selected Tax Bases



Iowa

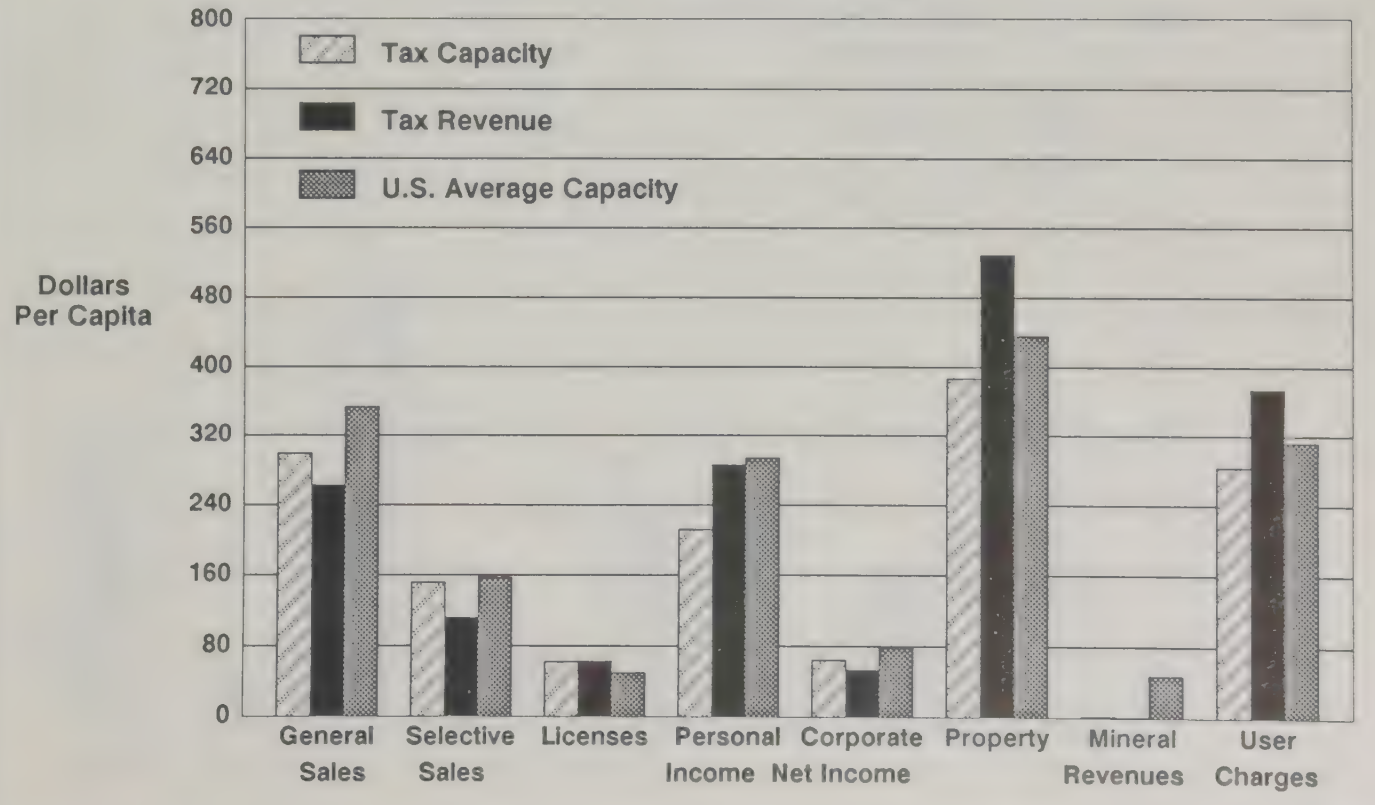
1985 RTS Tax Capacity = 84 **1985 RTS Tax Effort = 112**

Total Tax Capacity and Effort, 1975-85



1985 Tax Capacity and Tax Revenue

Selected Tax Bases

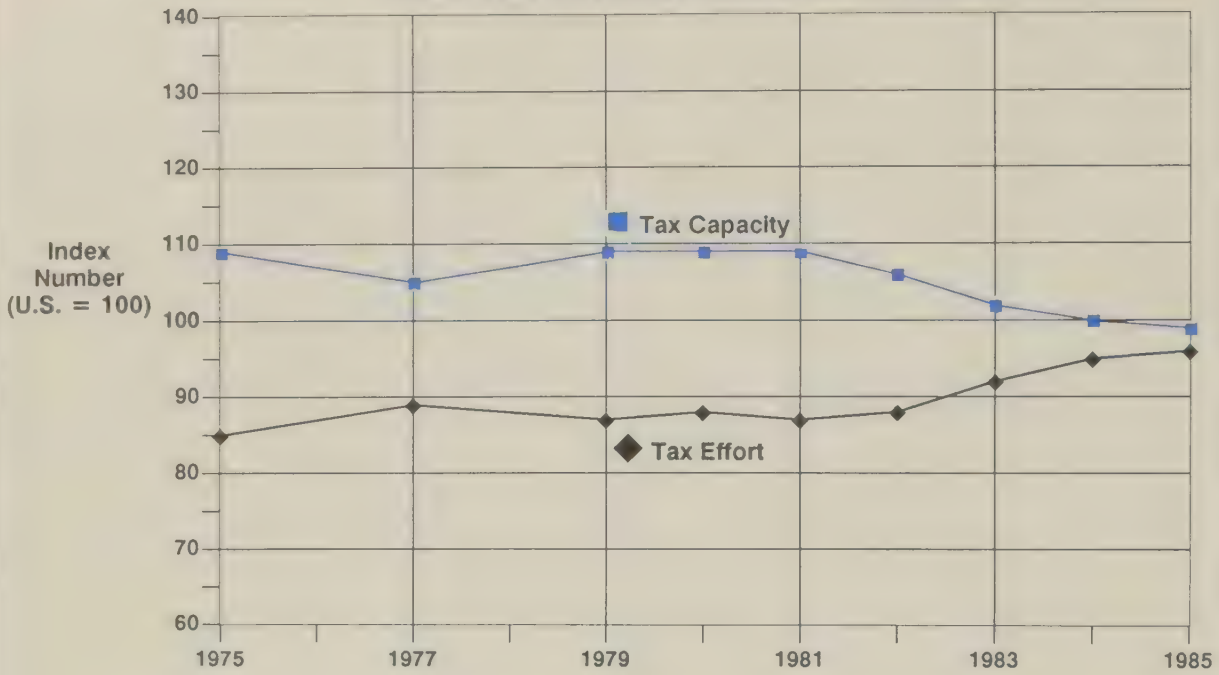


Kansas

1985 RTS Tax Capacity = 99

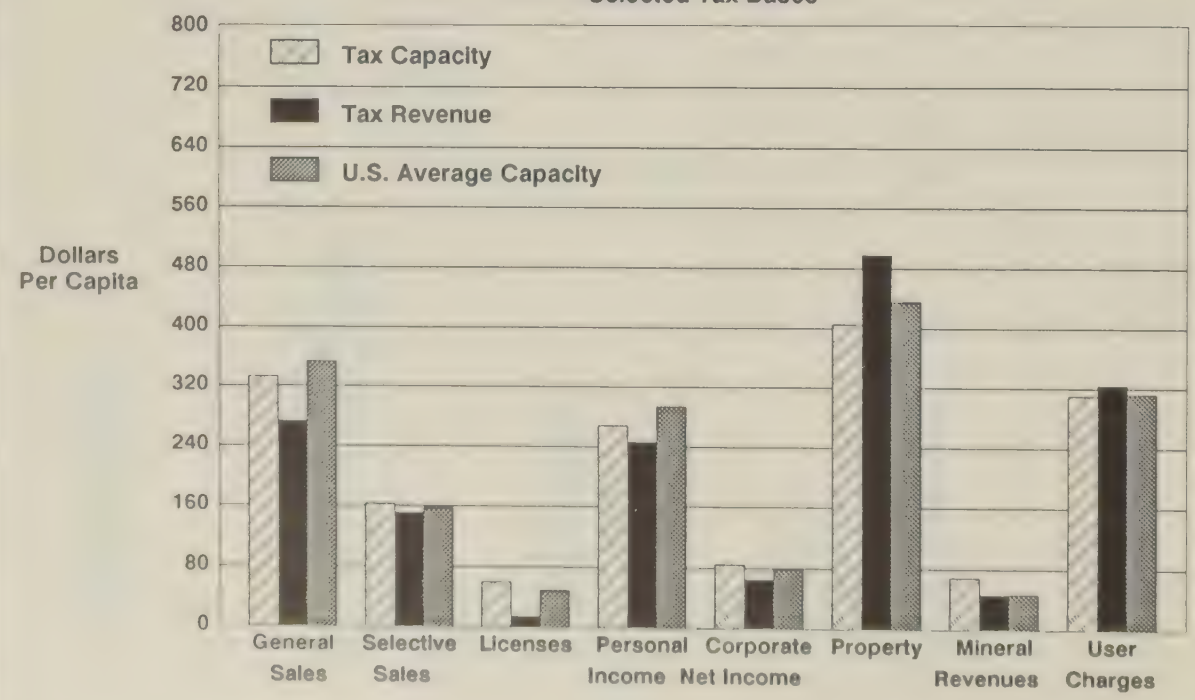
1985 RTS Tax Effort = 96

Total Tax Capacity and Effort, 1975-85



1985 Tax Capacity and Tax Revenue

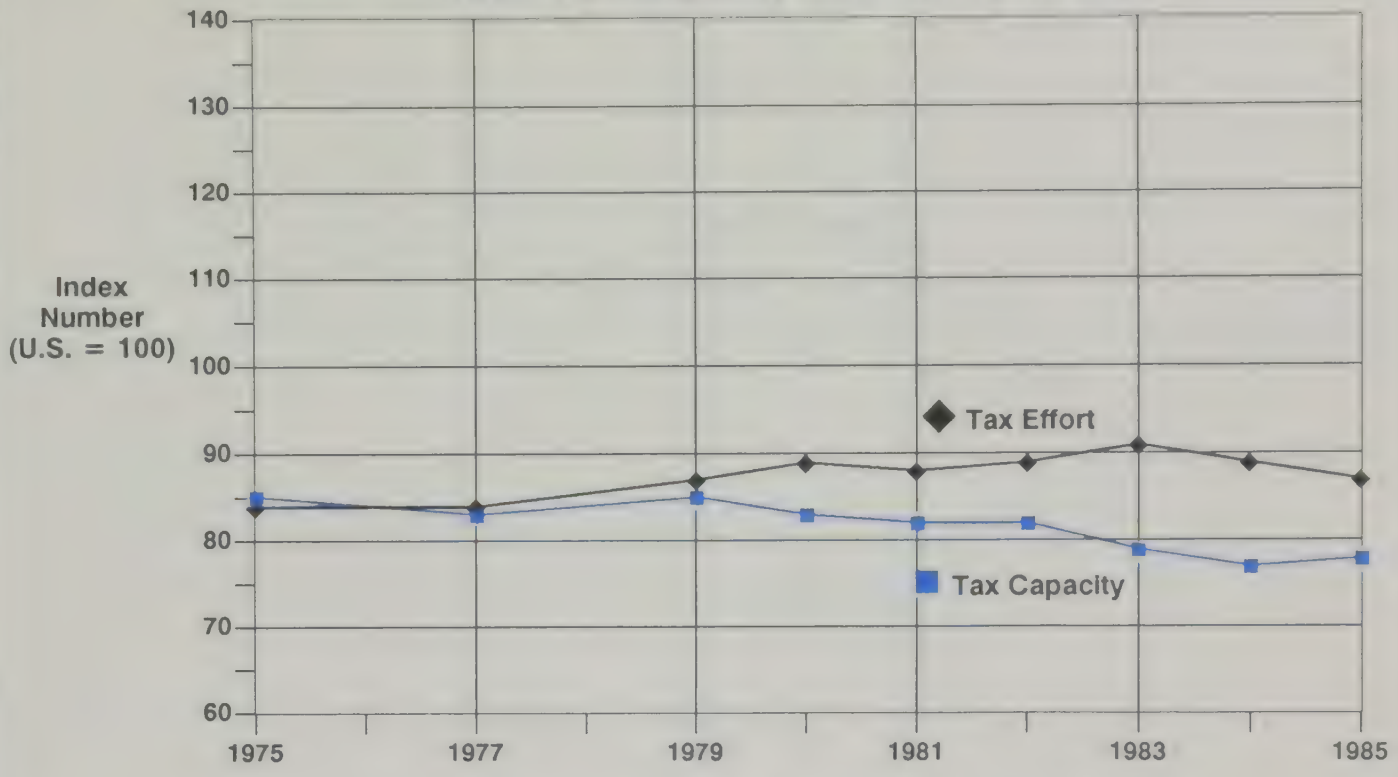
Selected Tax Bases



Kentucky

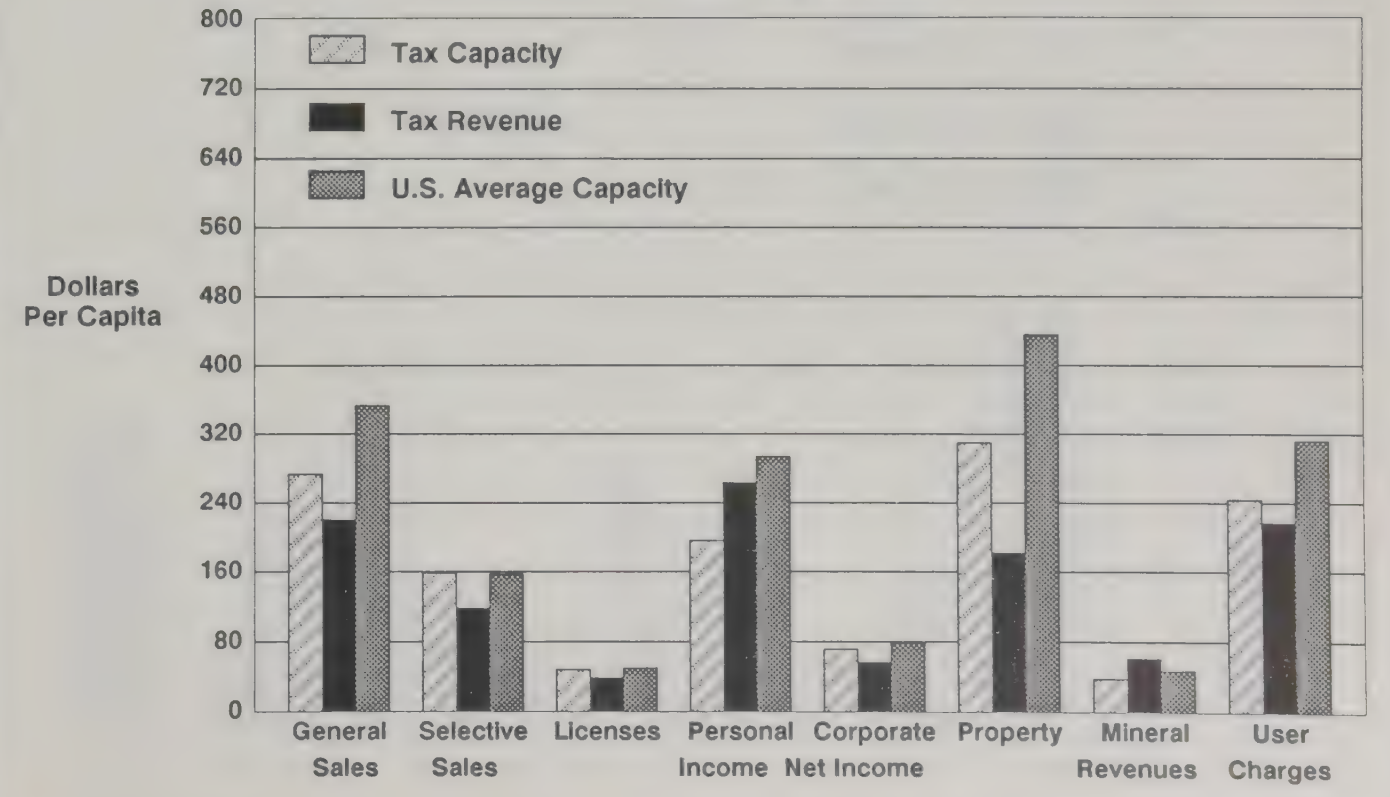
1985 RTS Tax Capacity = 78 **1985 RTS Tax Effort = 87**

Total Tax Capacity and Effort, 1975-85



1985 Tax Capacity and Tax Revenue

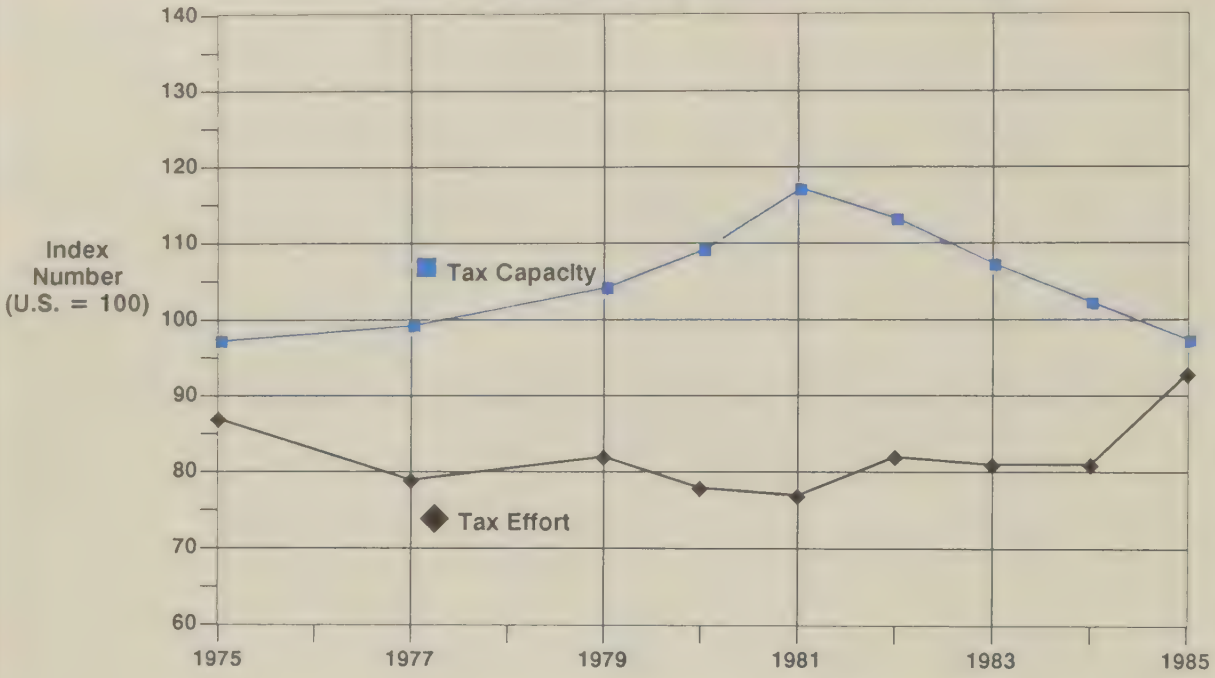
Selected Tax Bases



Louisiana

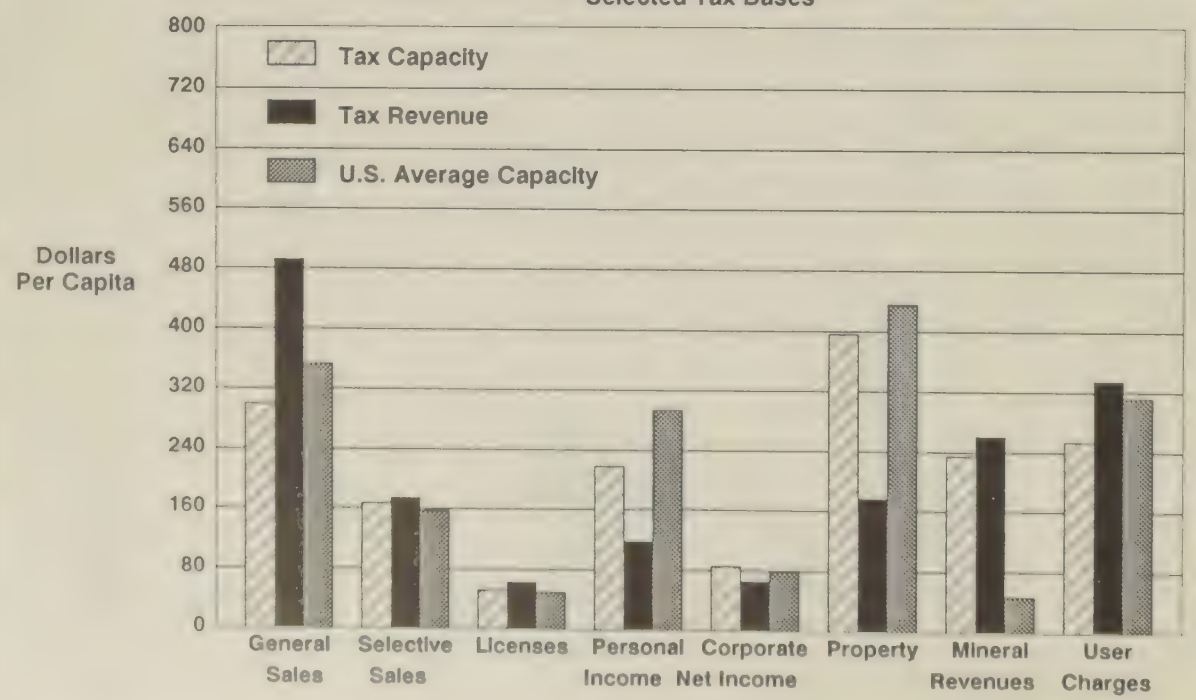
1985 RTS Tax Capacity = 97 **1985 RTS Tax Effort = 93**

Total Tax Capacity and Effort, 1975-85



1985 Tax Capacity and Tax Revenue

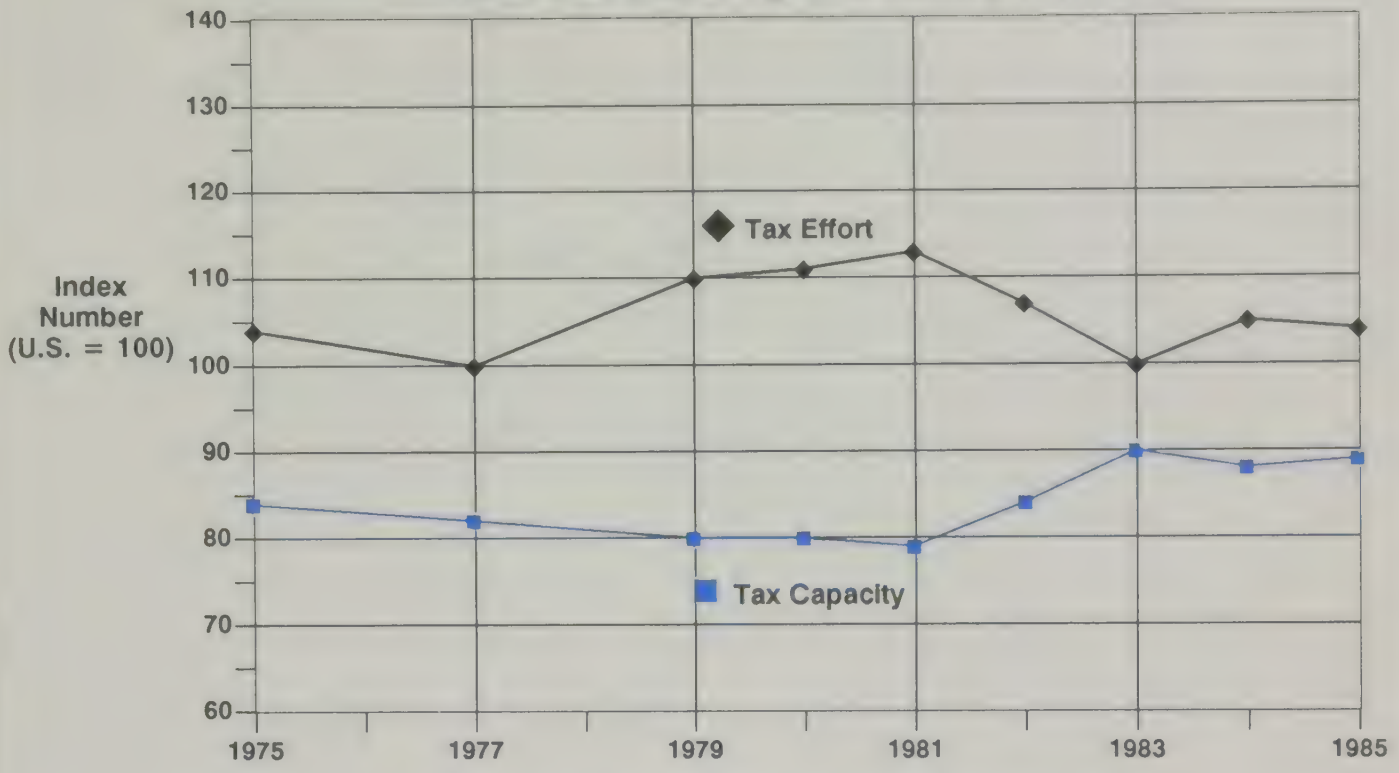
Selected Tax Bases



Maine

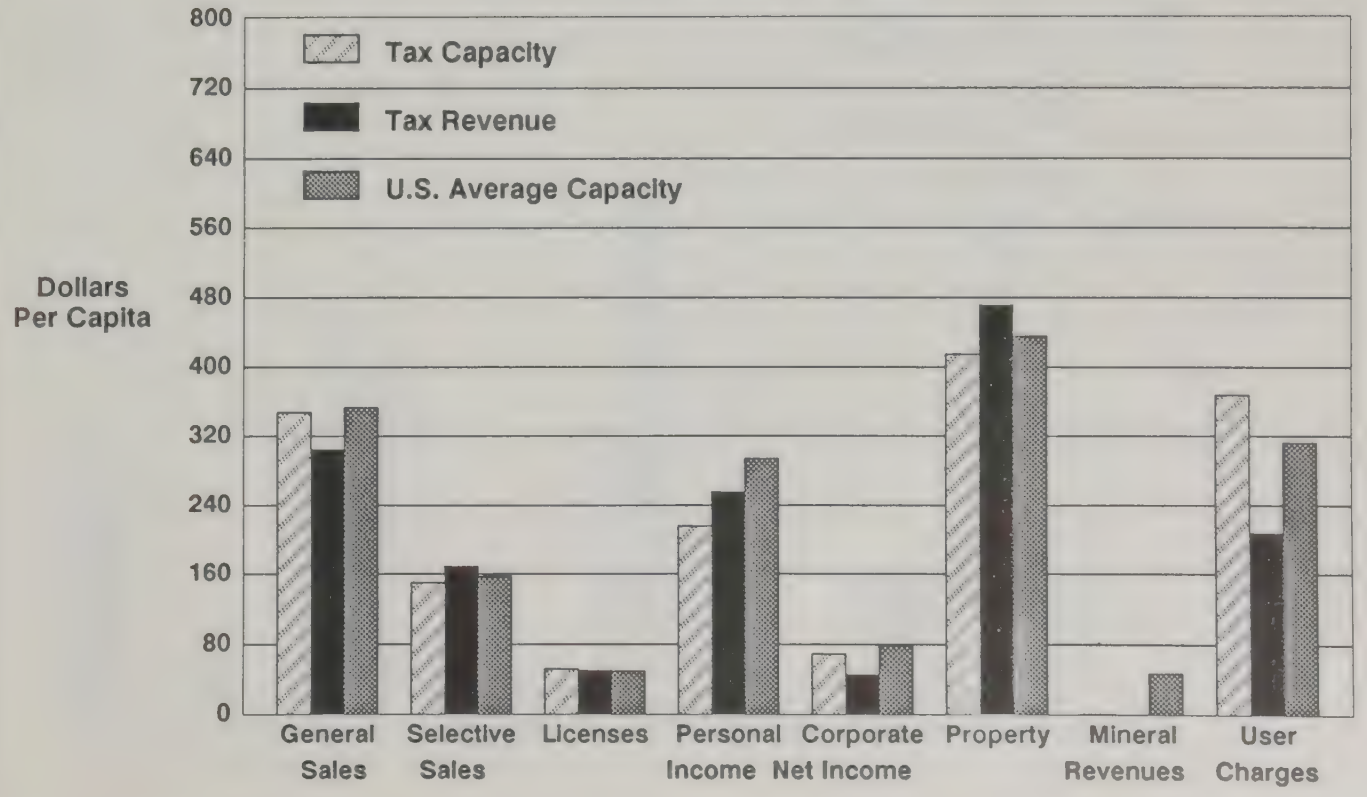
1985 RTS Tax Capacity = 89 **1985 RTS Tax Effort = 104**

Total Tax Capacity and Effort, 1975-85



1985 Tax Capacity and Tax Revenue

Selected Tax Bases

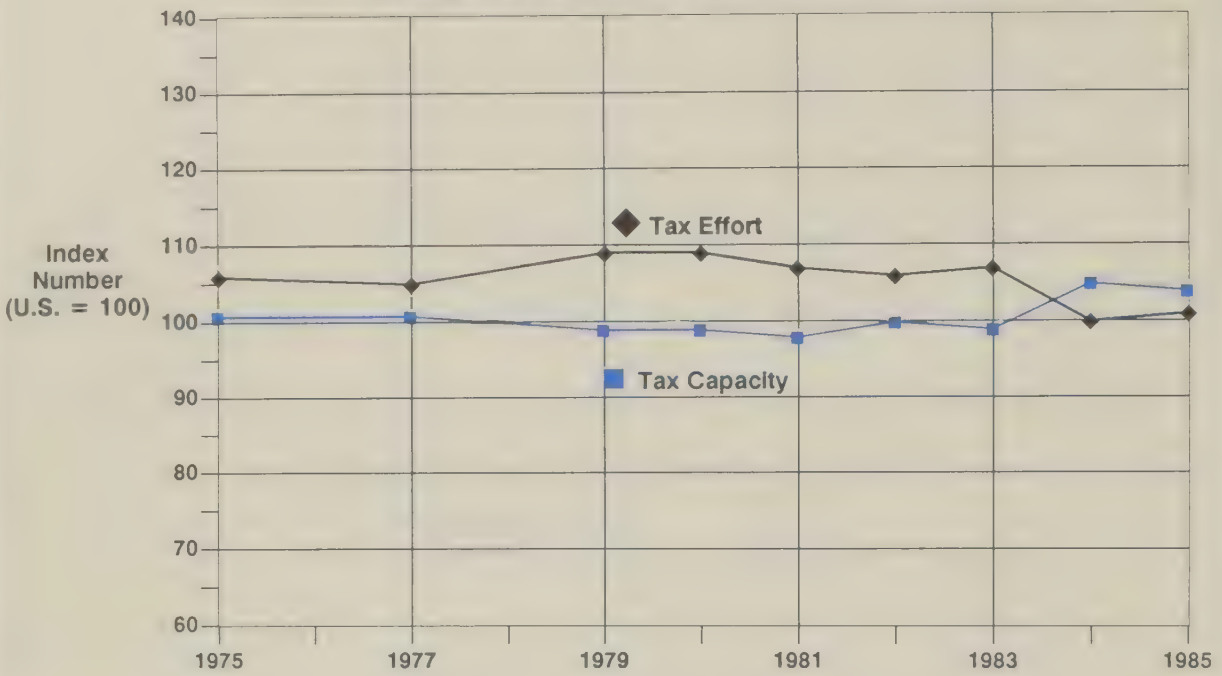


Maryland

1985 RTS Tax Capacity = 104

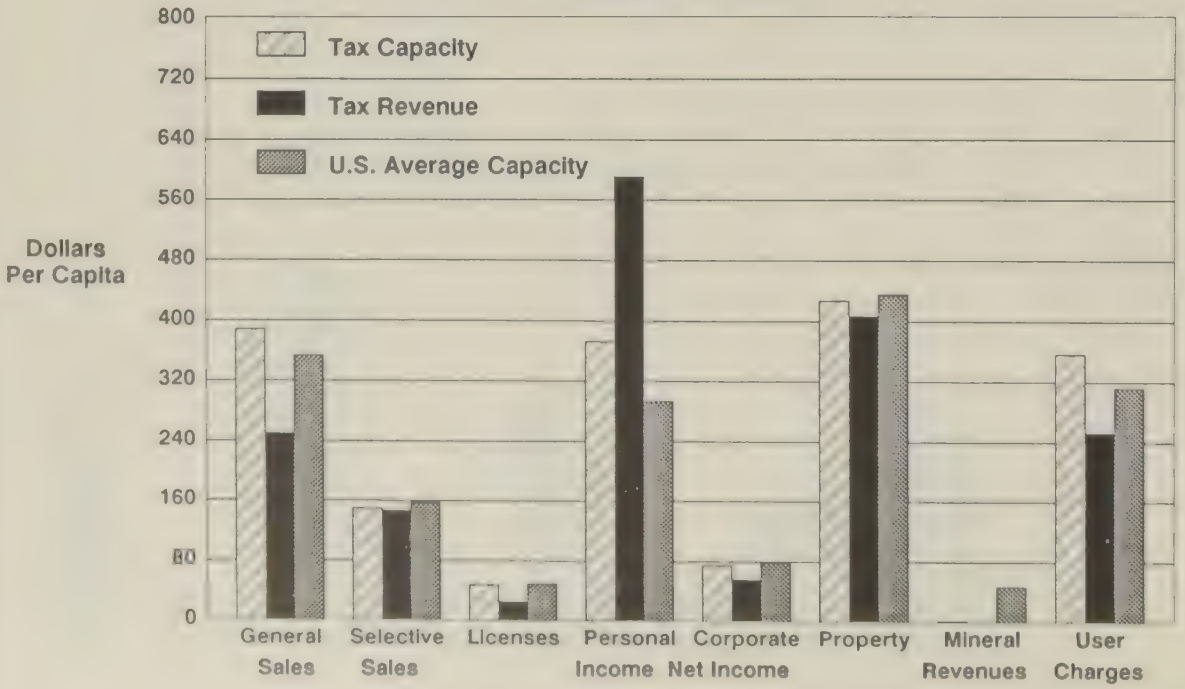
1985 RTS Tax Effort = 101

Total Tax Capacity and Effort, 1975-85



1985 Tax Capacity and Tax Revenue

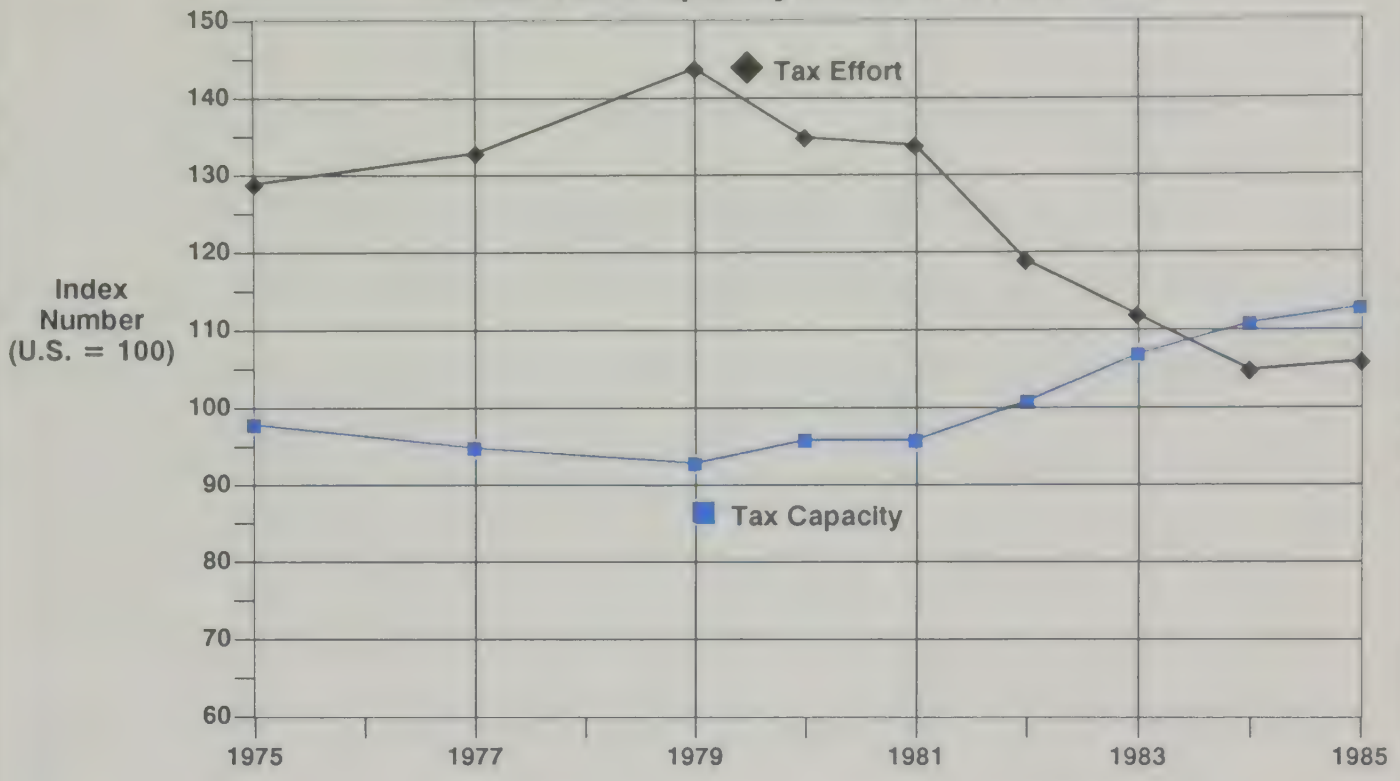
Selected Tax Bases



Massachusetts

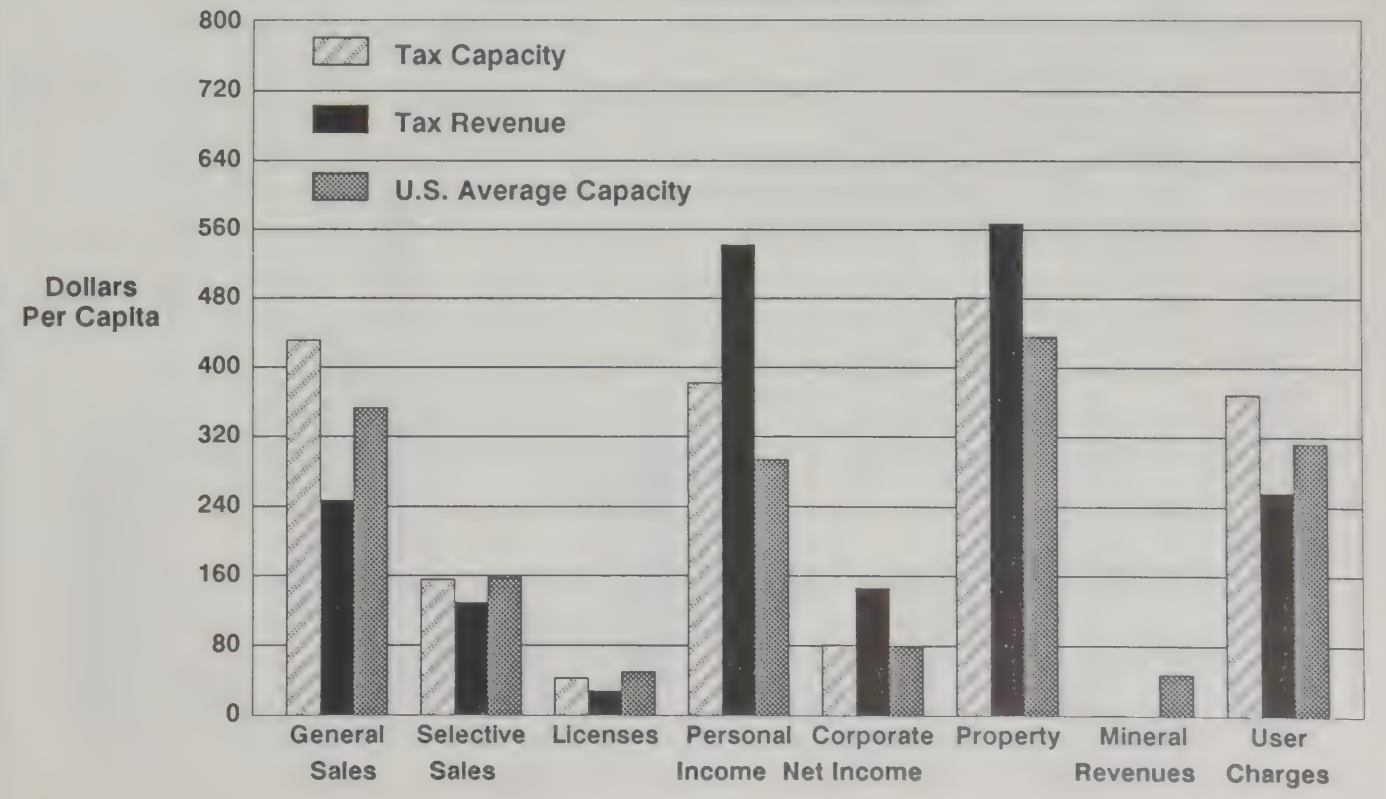
1985 RTS Tax Capacity = 113 **1985 RTS Tax Effort = 106**

Total Tax Capacity and Effort, 1975-85



1985 Tax Capacity and Tax Revenue

Selected Tax Bases

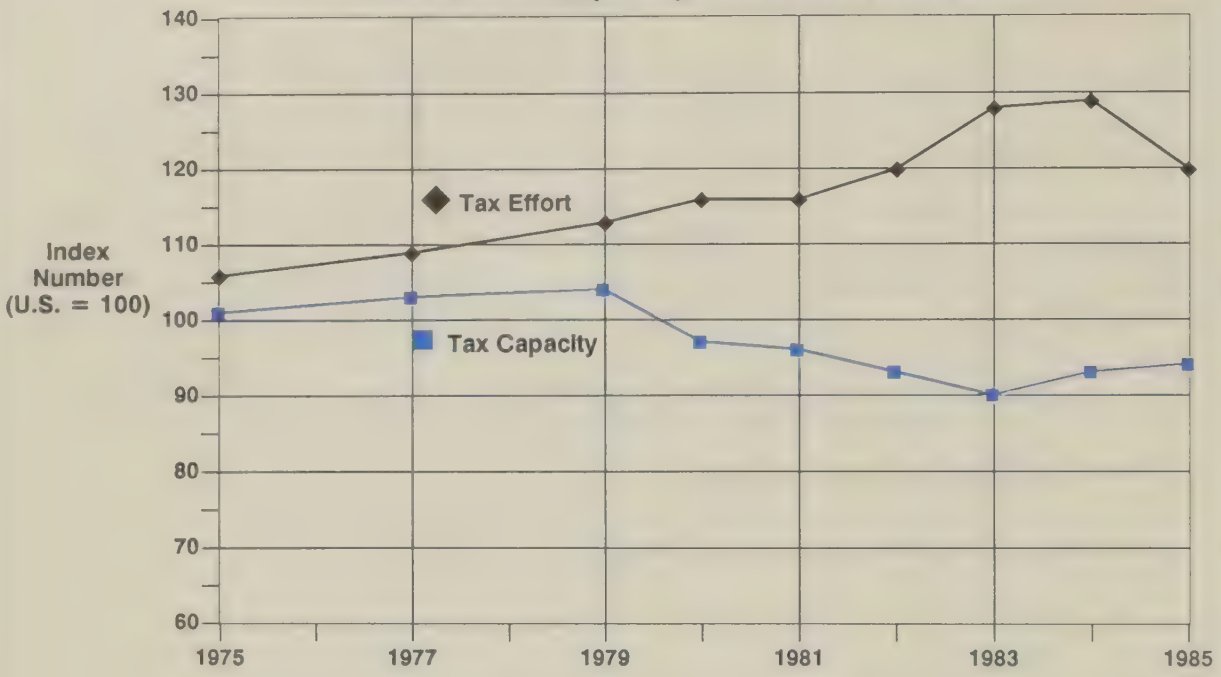


Michigan

1985 RTS Tax Capacity = 94

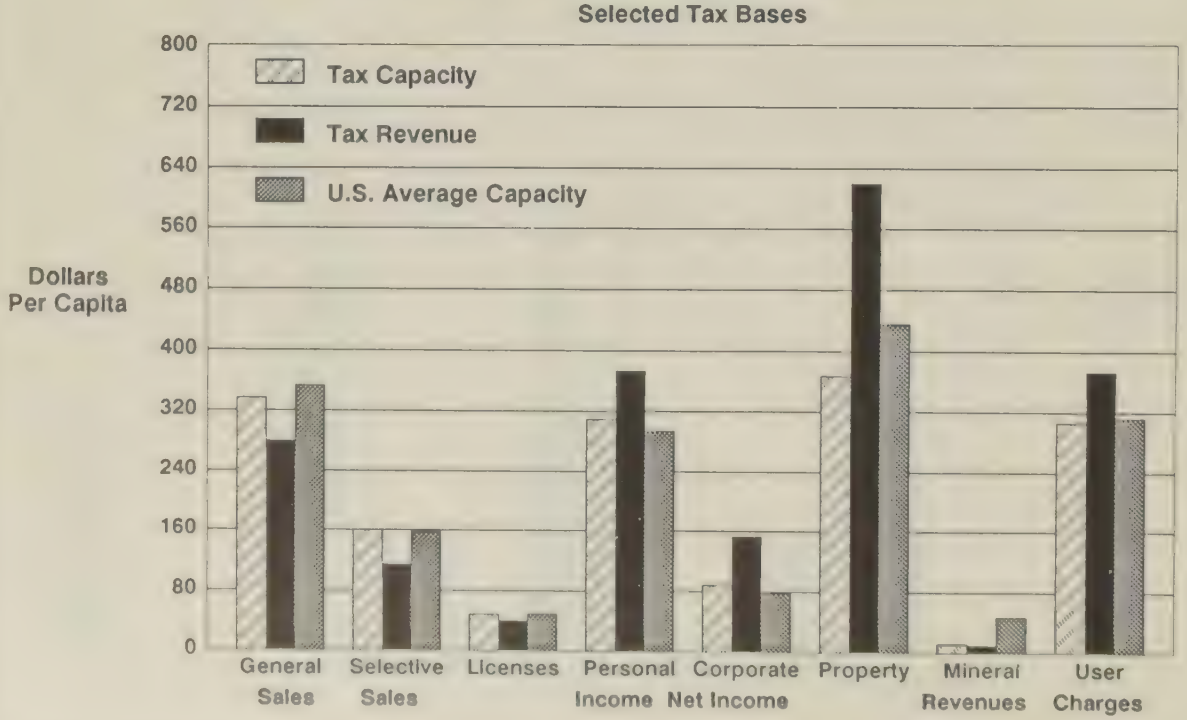
1985 RTS Tax Effort = 120

Total Tax Capacity and Effort, 1975-85



1985 Tax Capacity and Tax Revenue

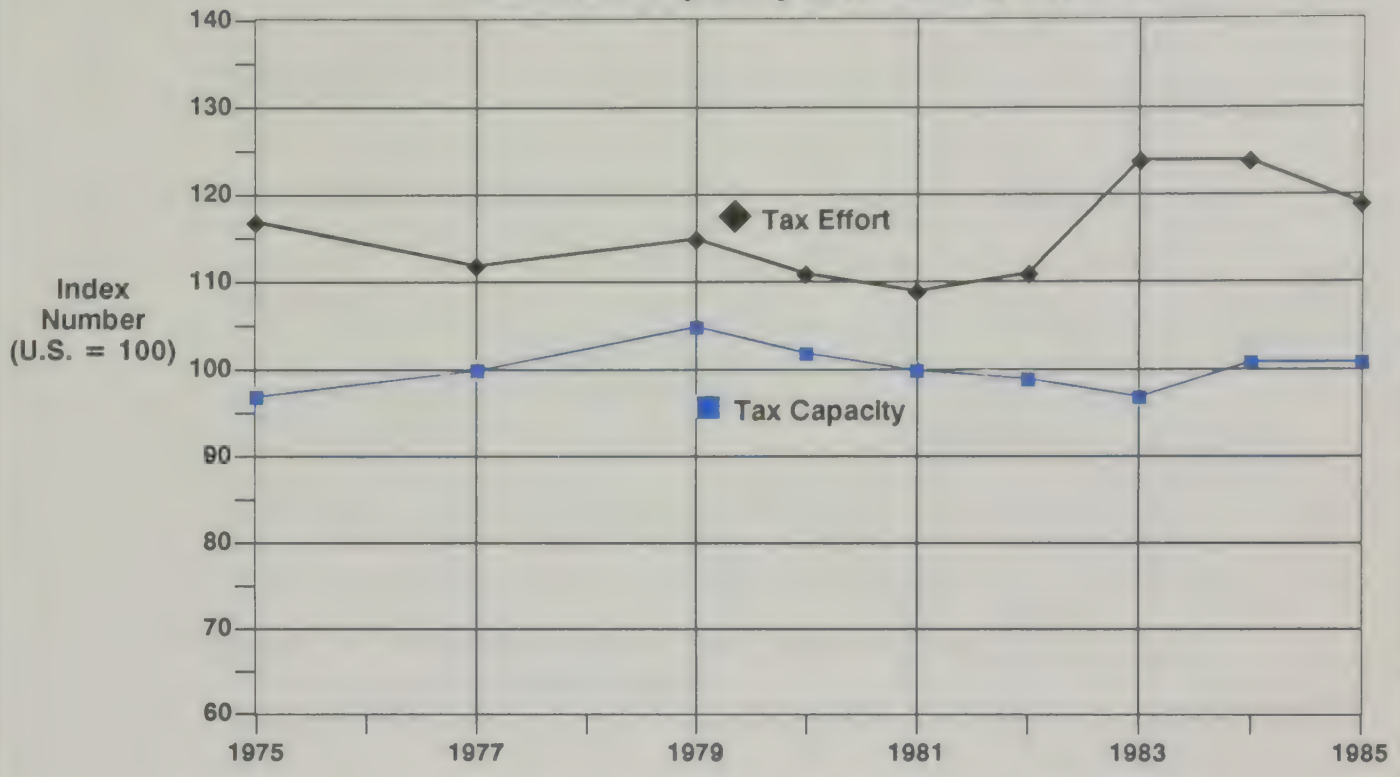
Selected Tax Bases



Minnesota

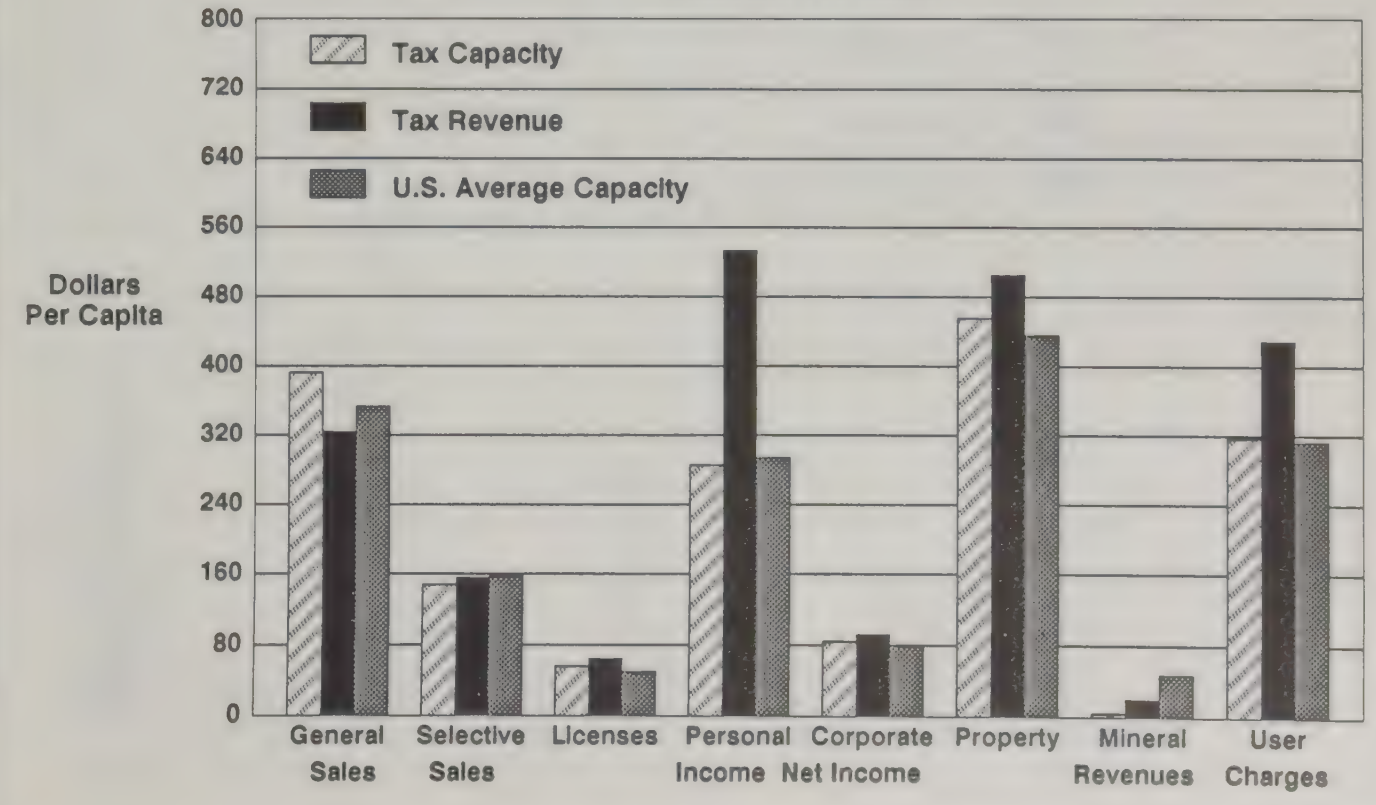
1985 RTS Tax Capacity = 101 **1985 RTS Tax Effort = 119**

Total Tax Capacity and Effort, 1975-85



1985 Tax Capacity and Tax Revenue

Selected Tax Bases

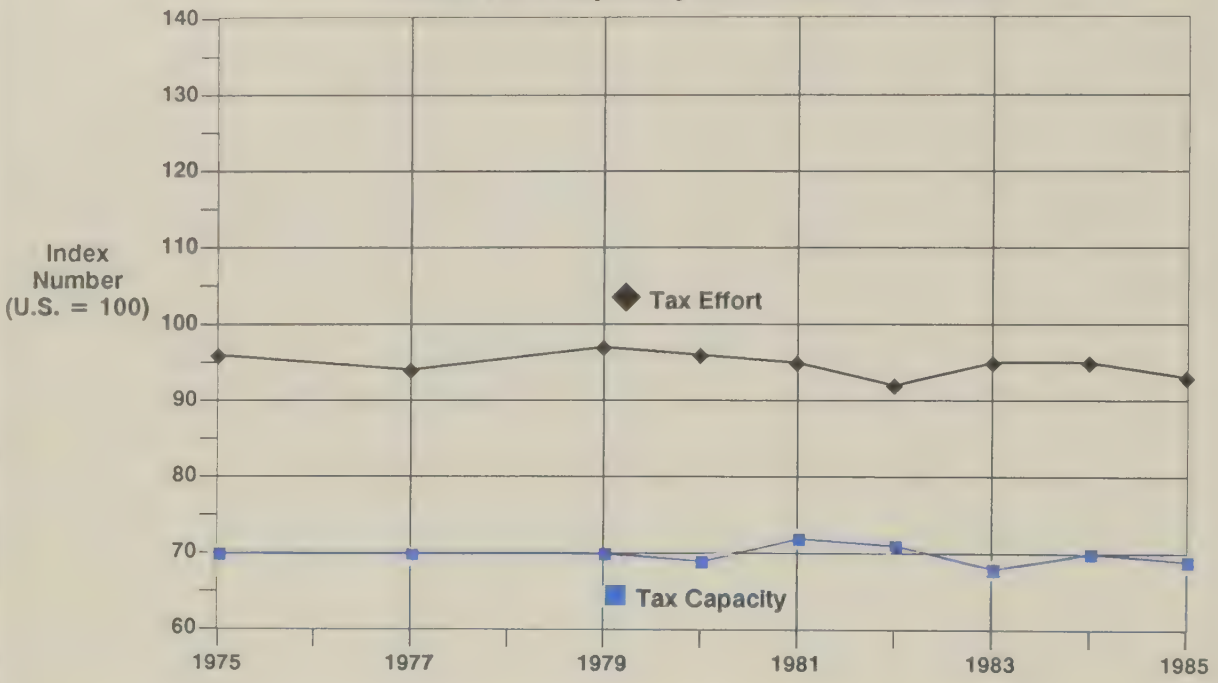


Mississippi

1985 RTS Tax Capacity = 69

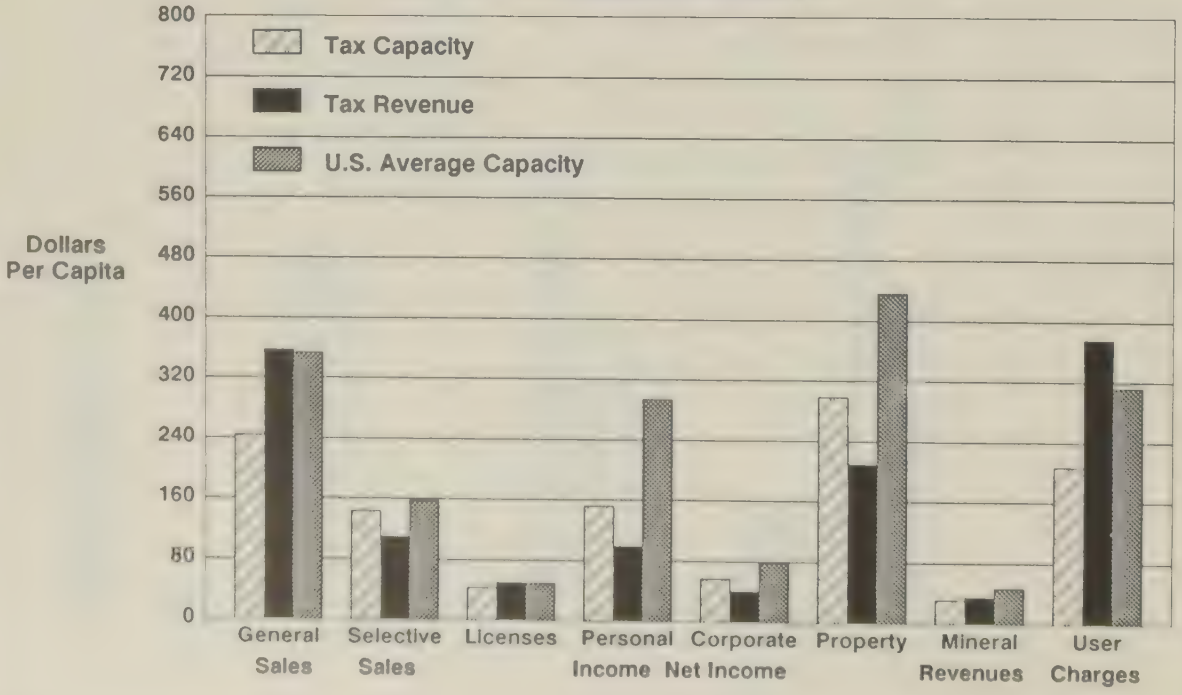
1985 RTS Tax Effort = 93

Total Tax Capacity and Effort, 1975-85



1985 Tax Capacity and Tax Revenue

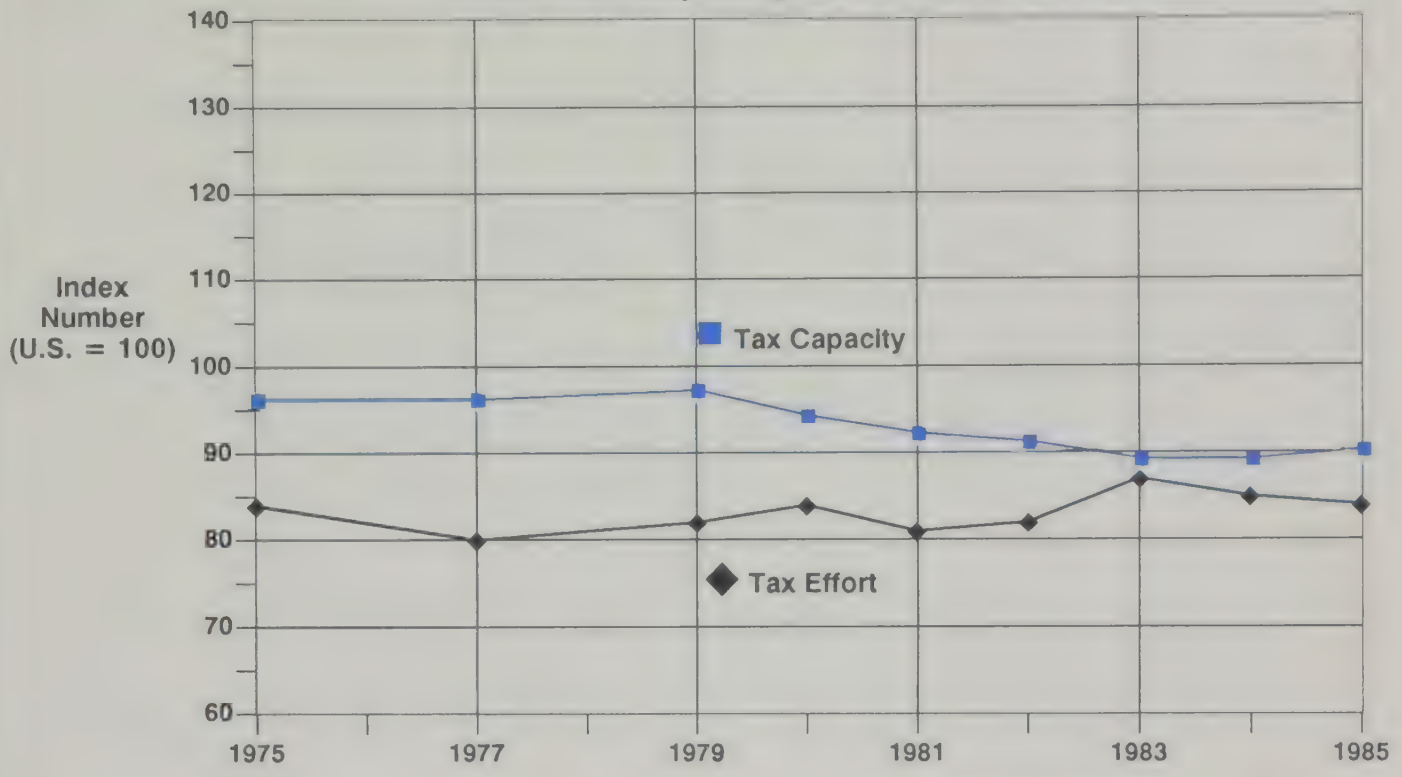
Selected Tax Bases



Missouri

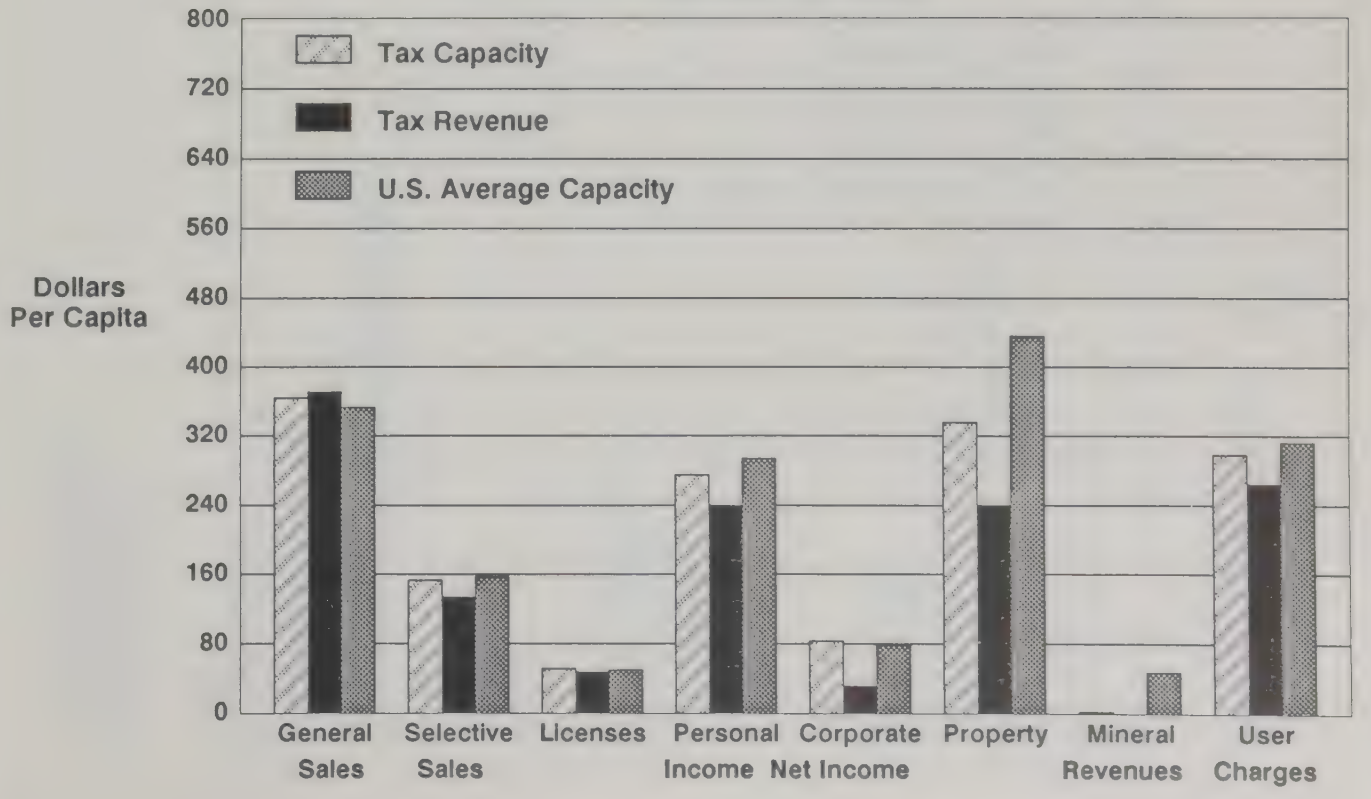
1985 RTS Tax Capacity = 90 **1985 RTS Tax Effort = 84**

Total Tax Capacity and Effort, 1975-85



1985 Tax Capacity and Tax Revenue

Selected Tax Bases

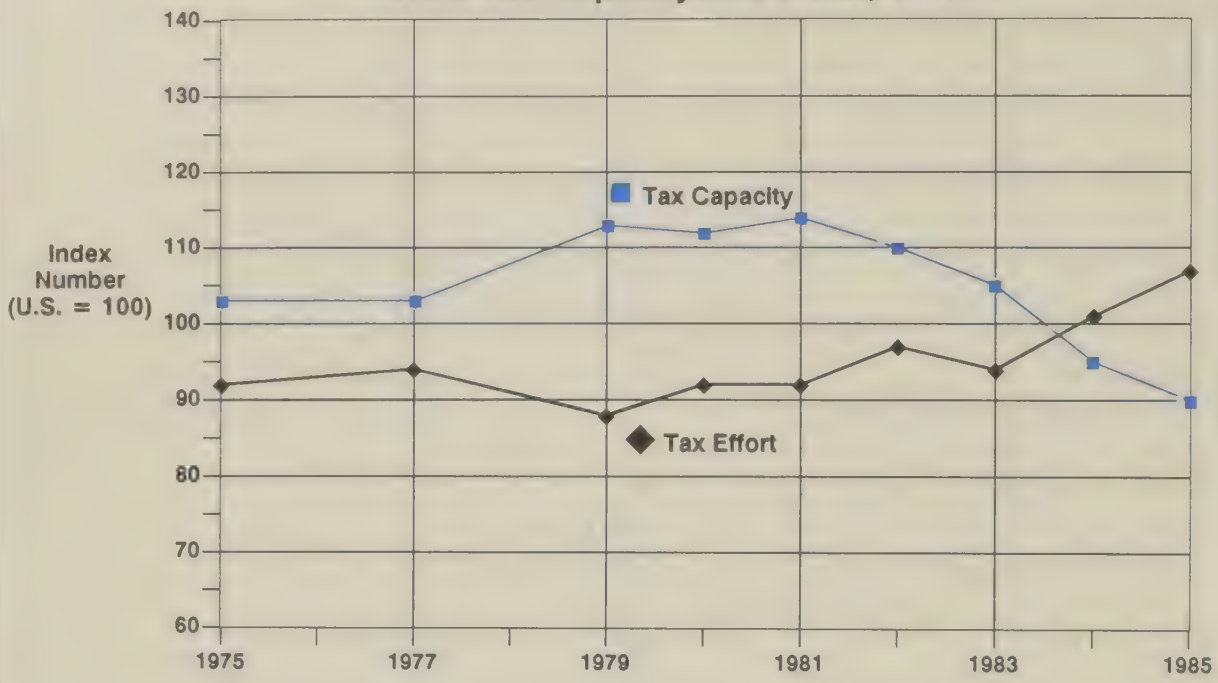


Montana

1985 RTS Tax Capacity = 90

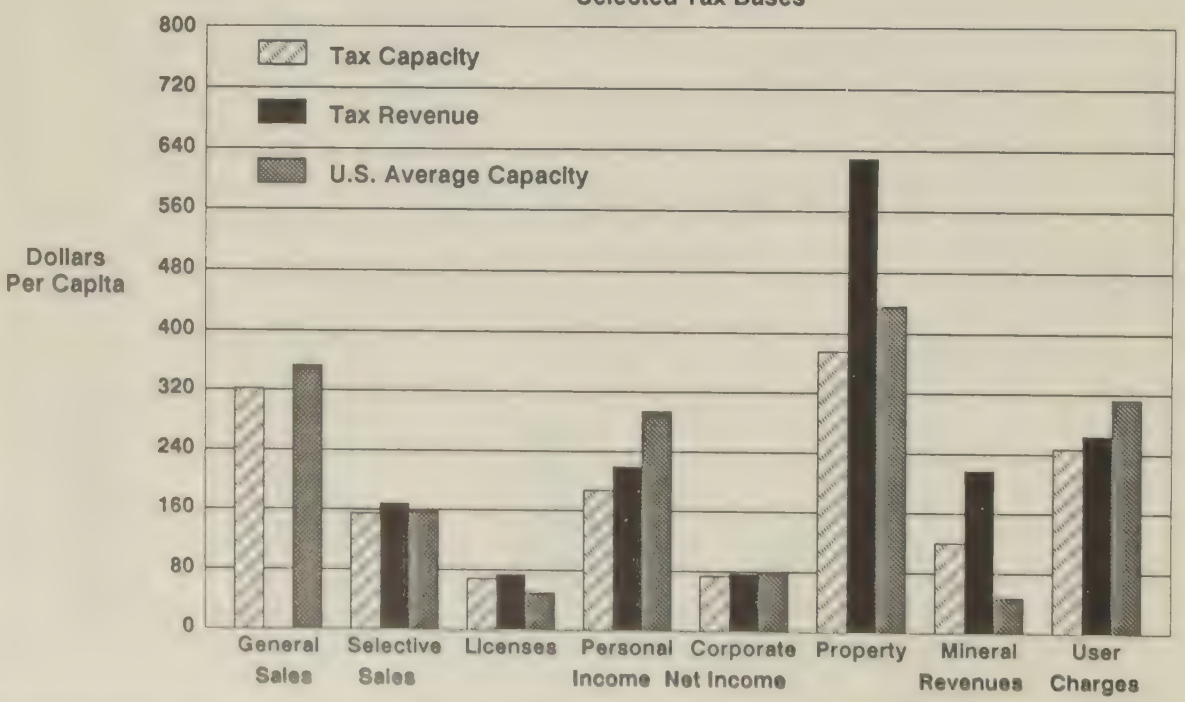
1985 RTS Tax Effort = 107

Total Tax Capacity and Effort, 1975-85



1985 Tax Capacity and Tax Revenue

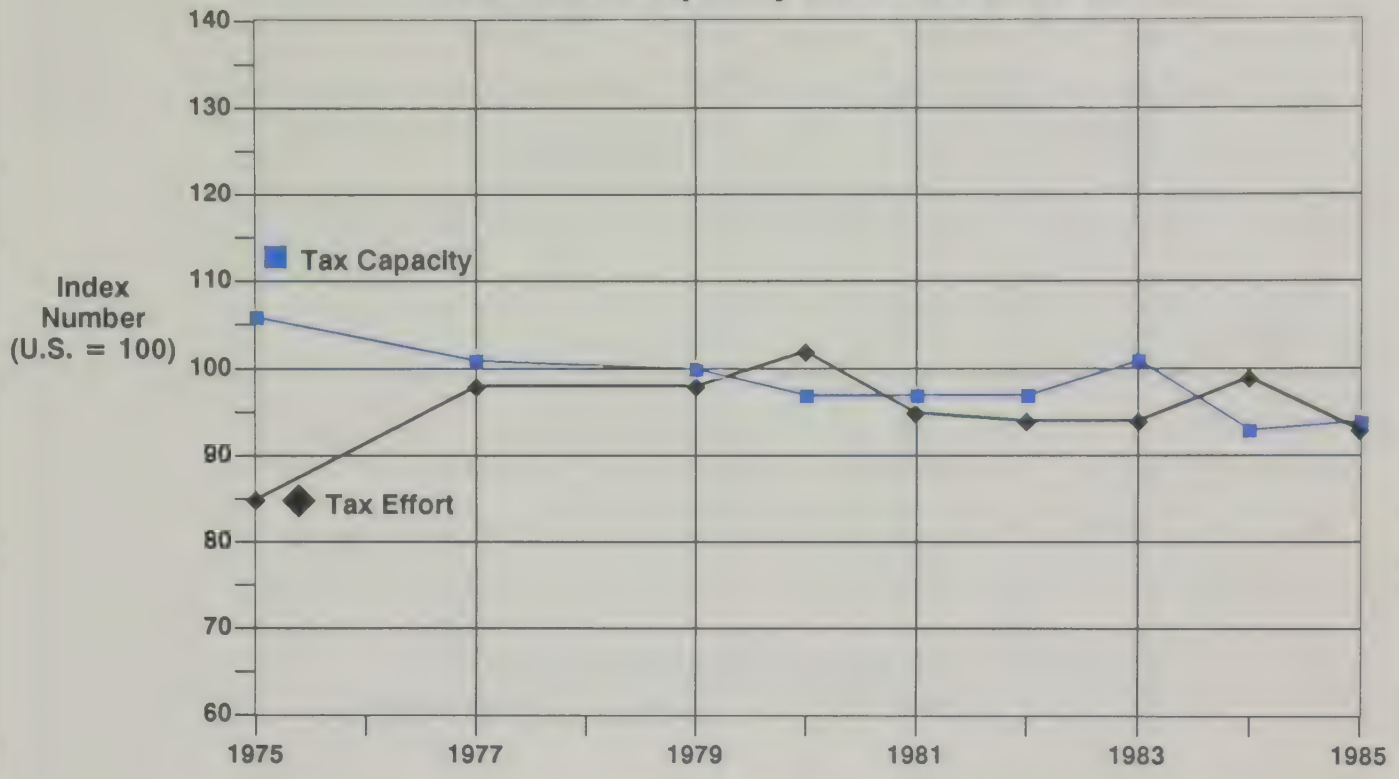
Selected Tax Bases



Nebraska

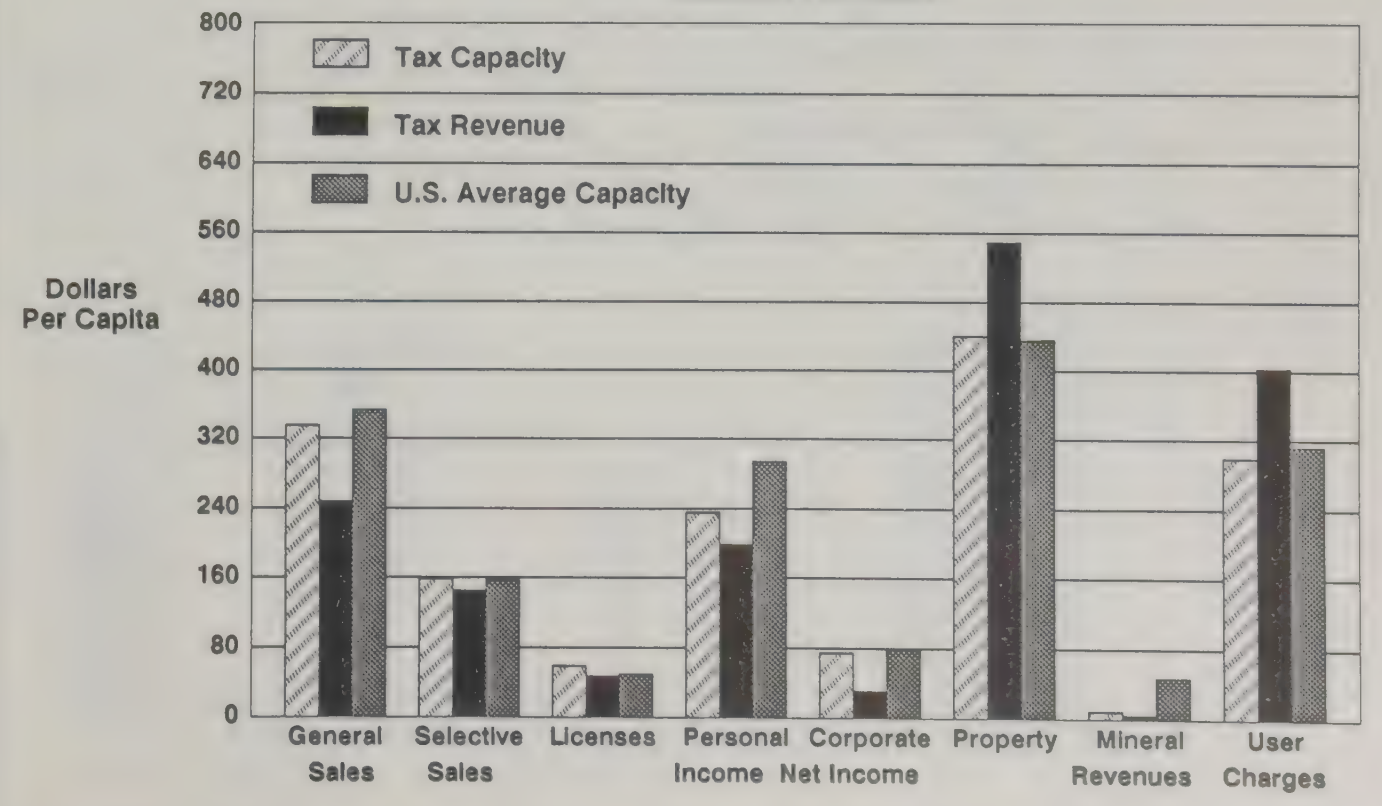
1985 RTS Tax Capacity = 94 **1985 RTS Tax Effort = 93**

Total Tax Capacity and Effort, 1975-85



1985 Tax Capacity and Tax Revenue

Selected Tax Bases

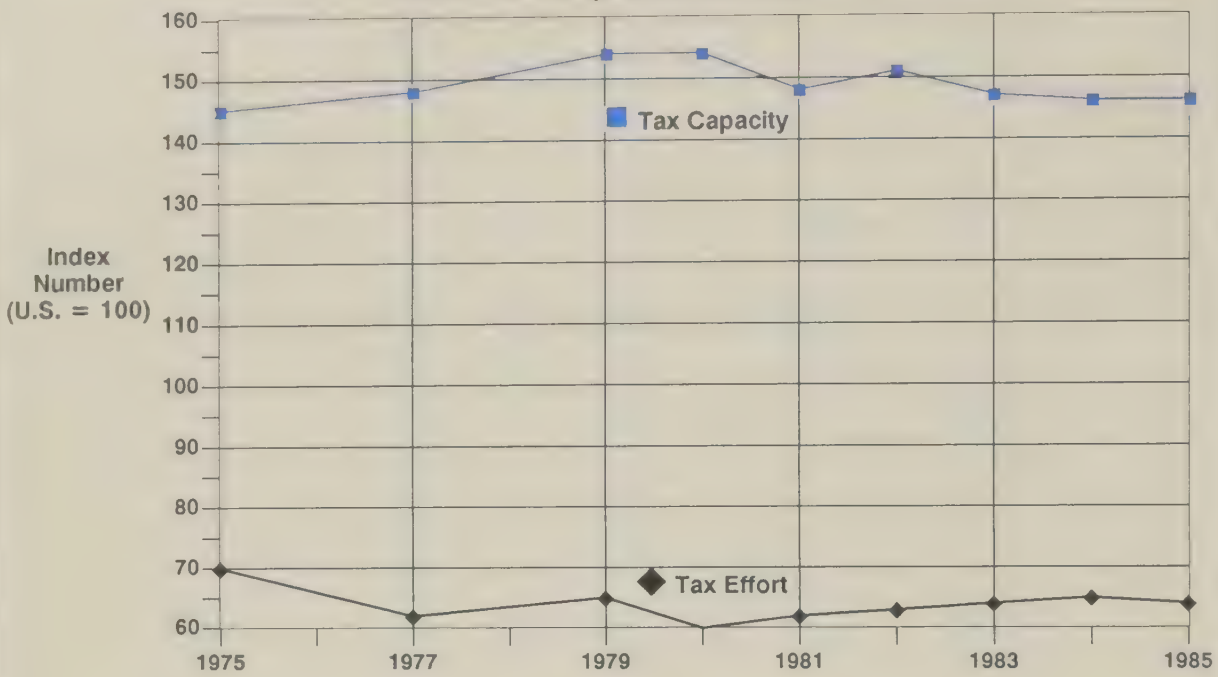


Nevada

1985 RTS Tax Capacity = 146

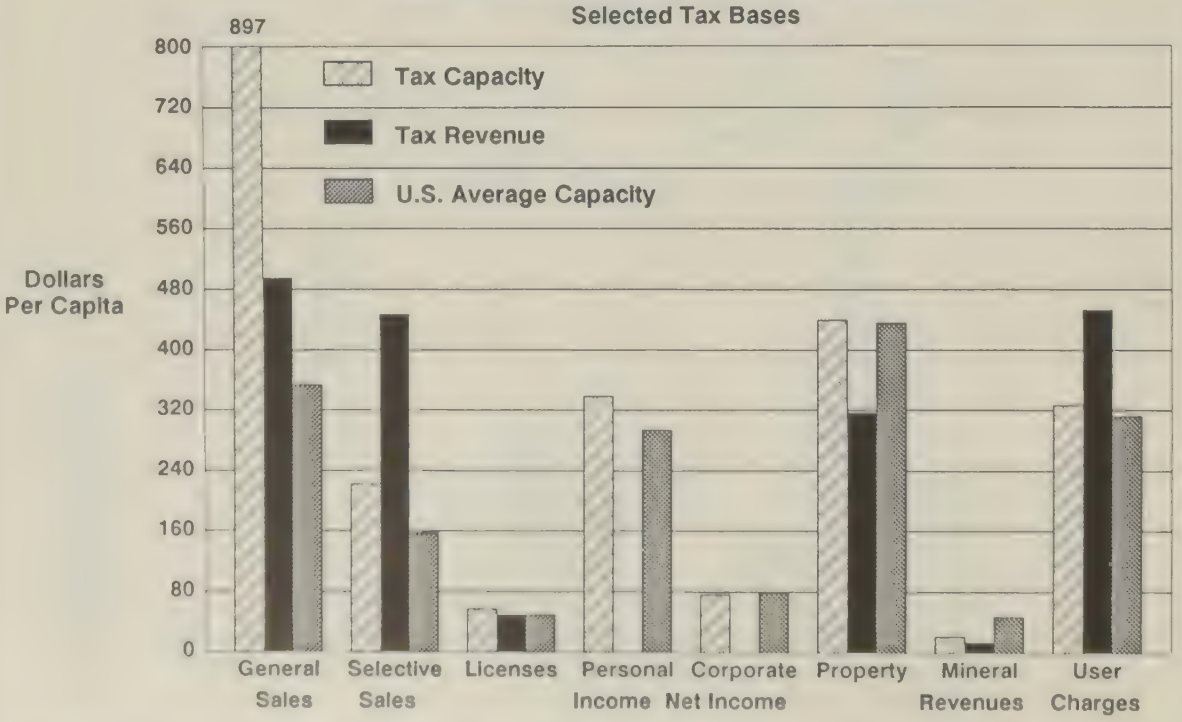
1985 RTS Tax Effort = 64

Total Tax Capacity and Effort, 1975-85



1985 Tax Capacity and Tax Revenue

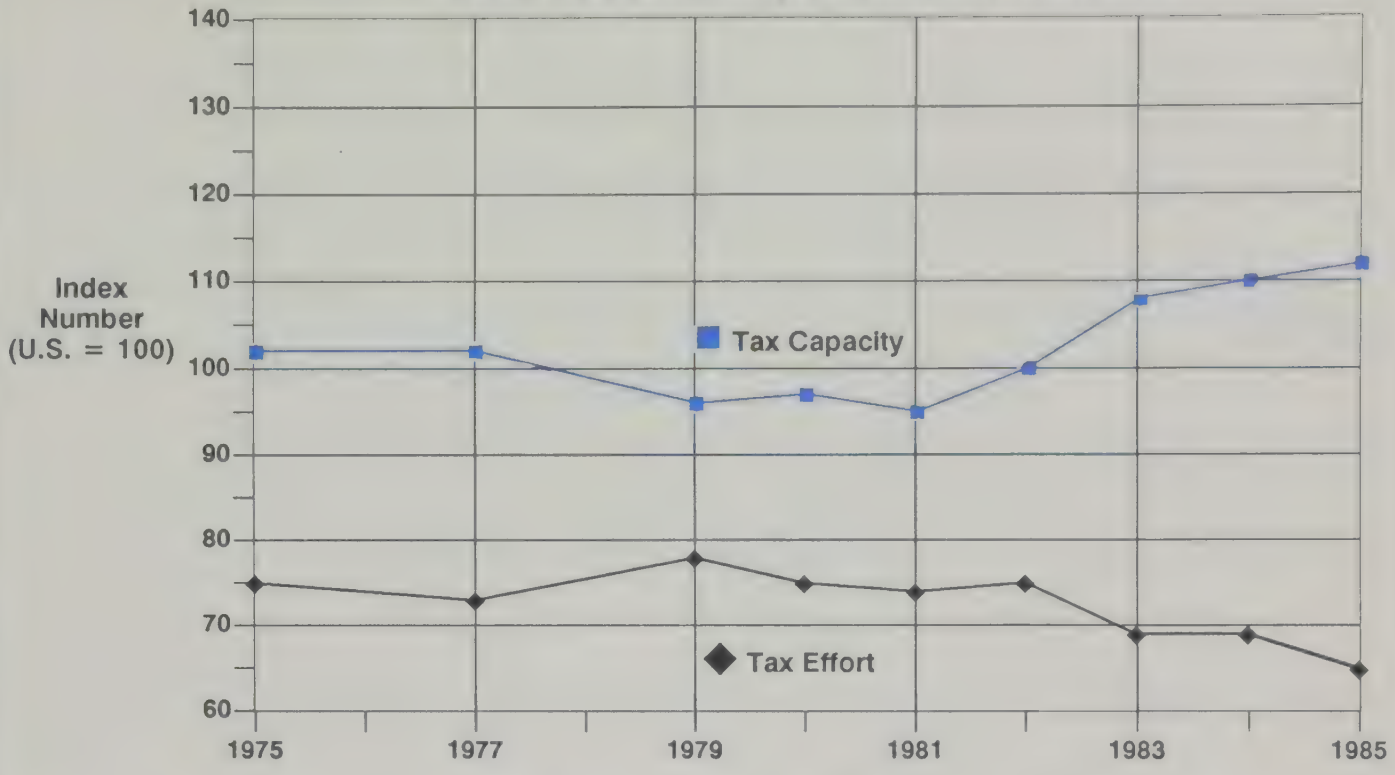
Selected Tax Bases



New Hampshire

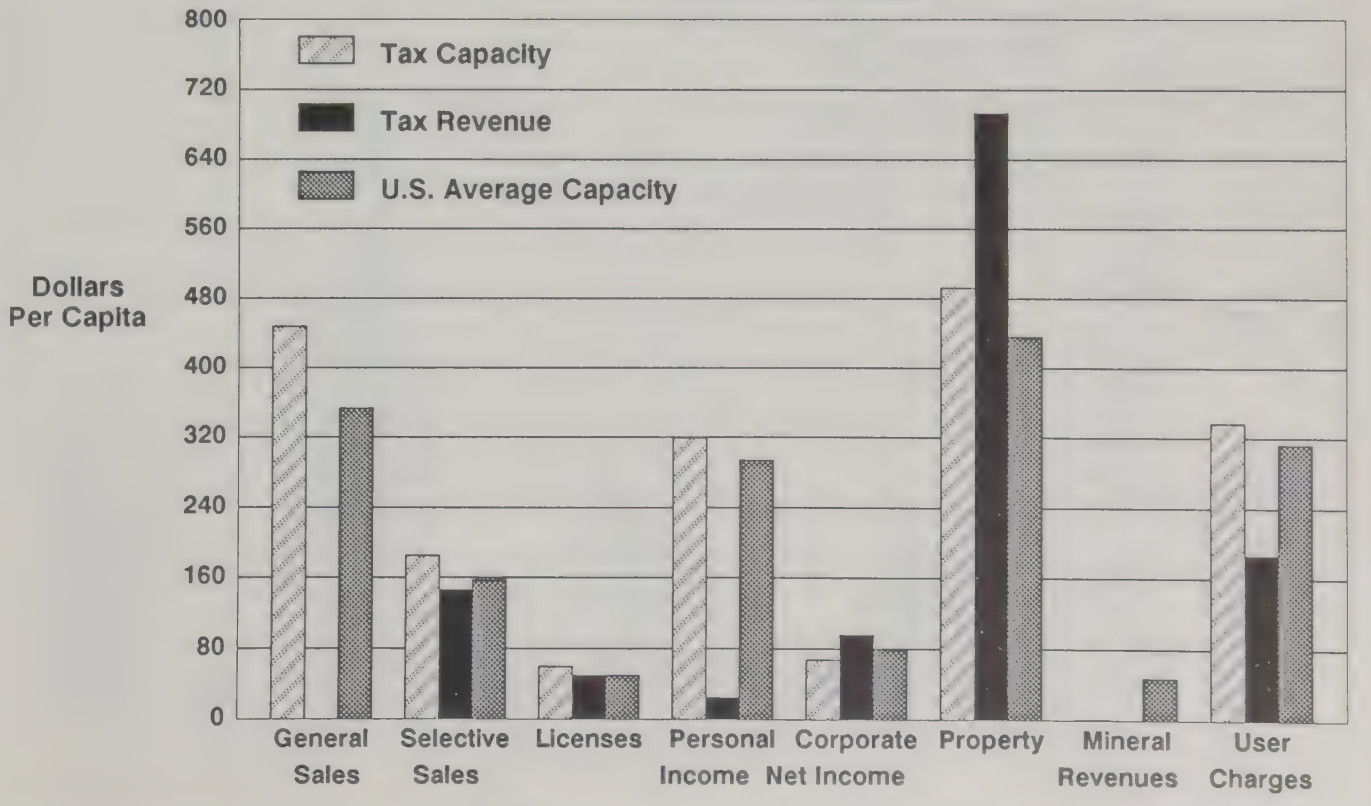
1985 RTS Tax Capacity = 112 **1985 RTS Tax Effort = 65**

Total Tax Capacity and Effort, 1975-85



1985 Tax Capacity and Tax Revenue

Selected Tax Bases

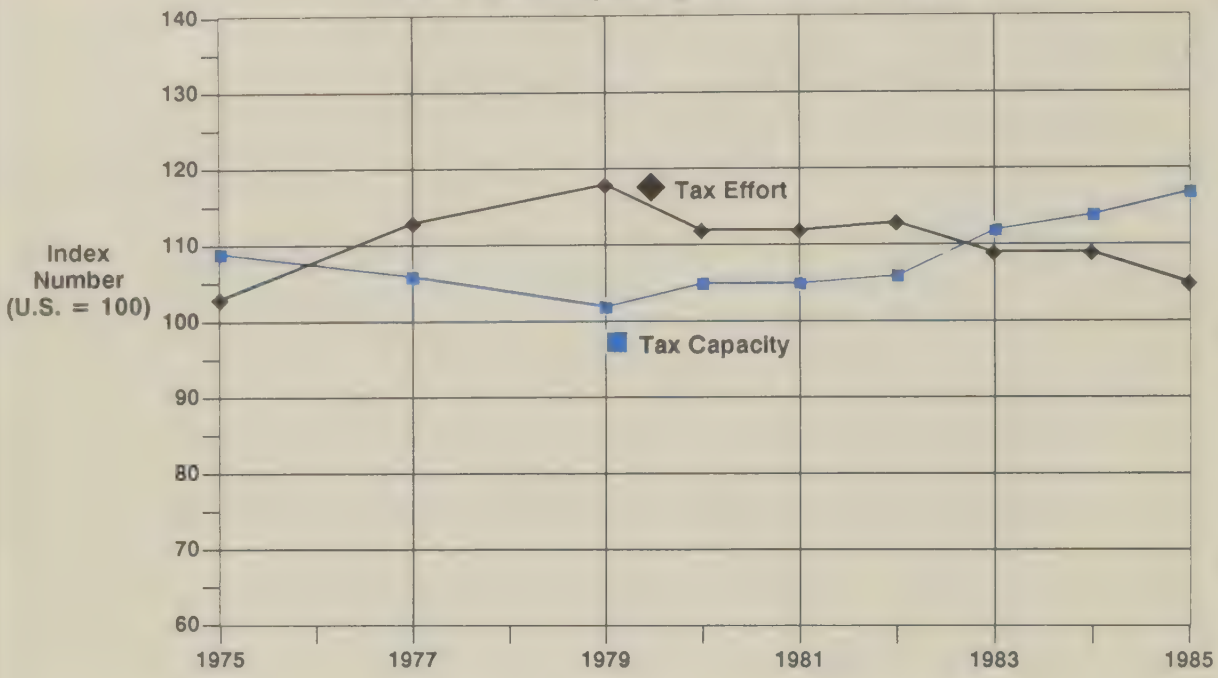


New Jersey

1985 RTS Tax Capacity = 117

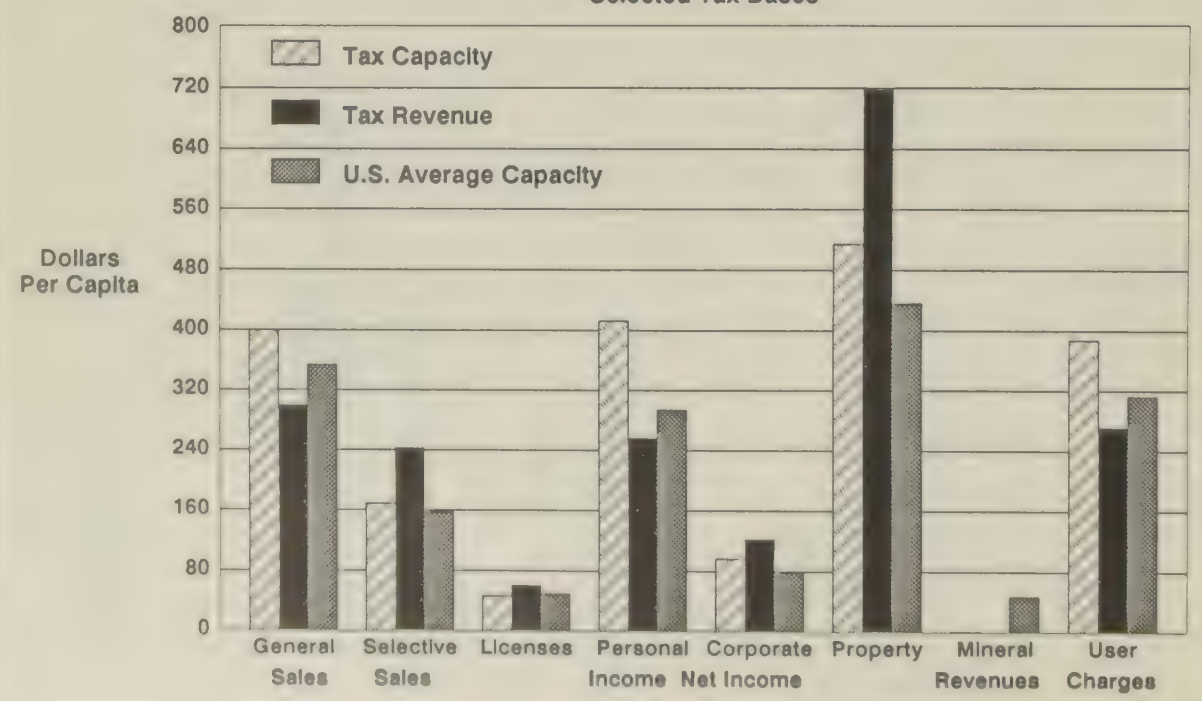
1985 RTS Tax Effort = 105

Total Tax Capacity and Effort, 1975-85



1985 Tax Capacity and Tax Revenue

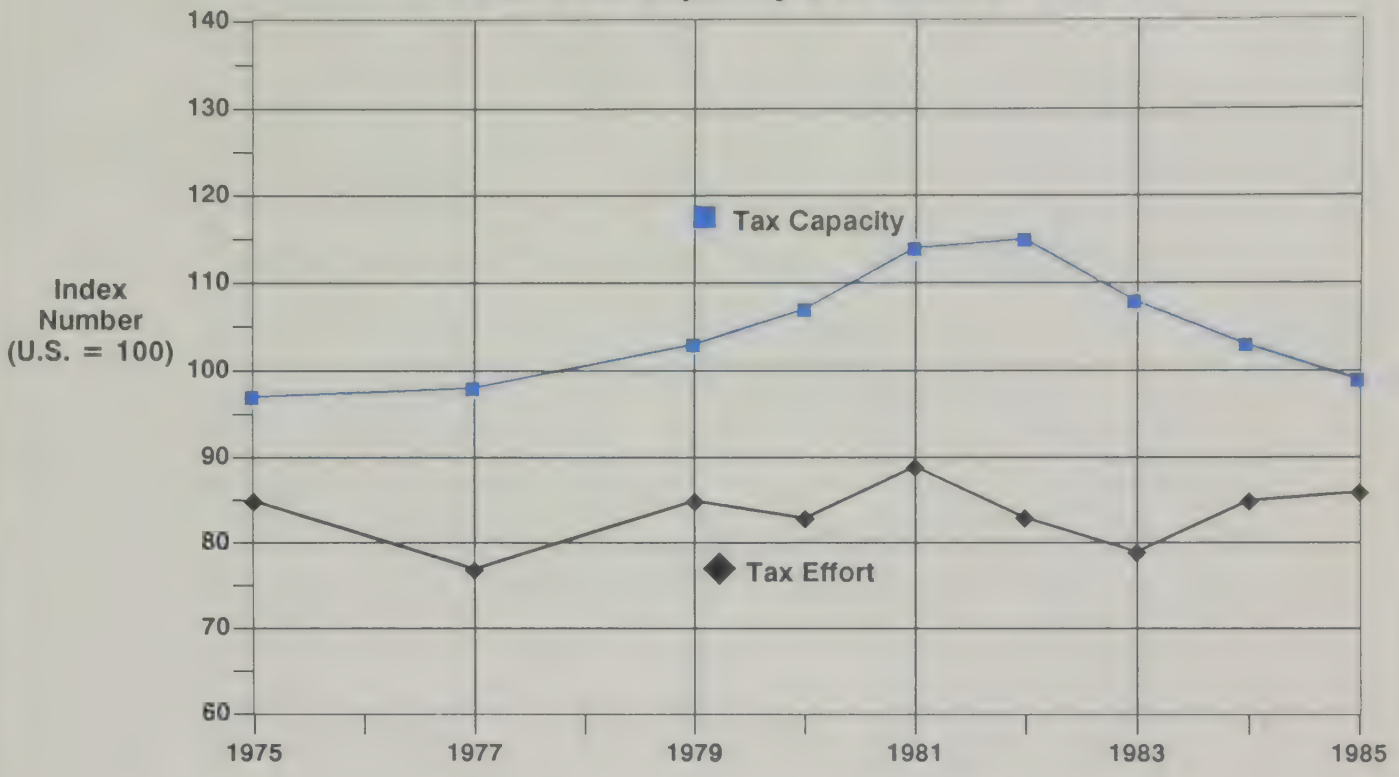
Selected Tax Bases



New Mexico

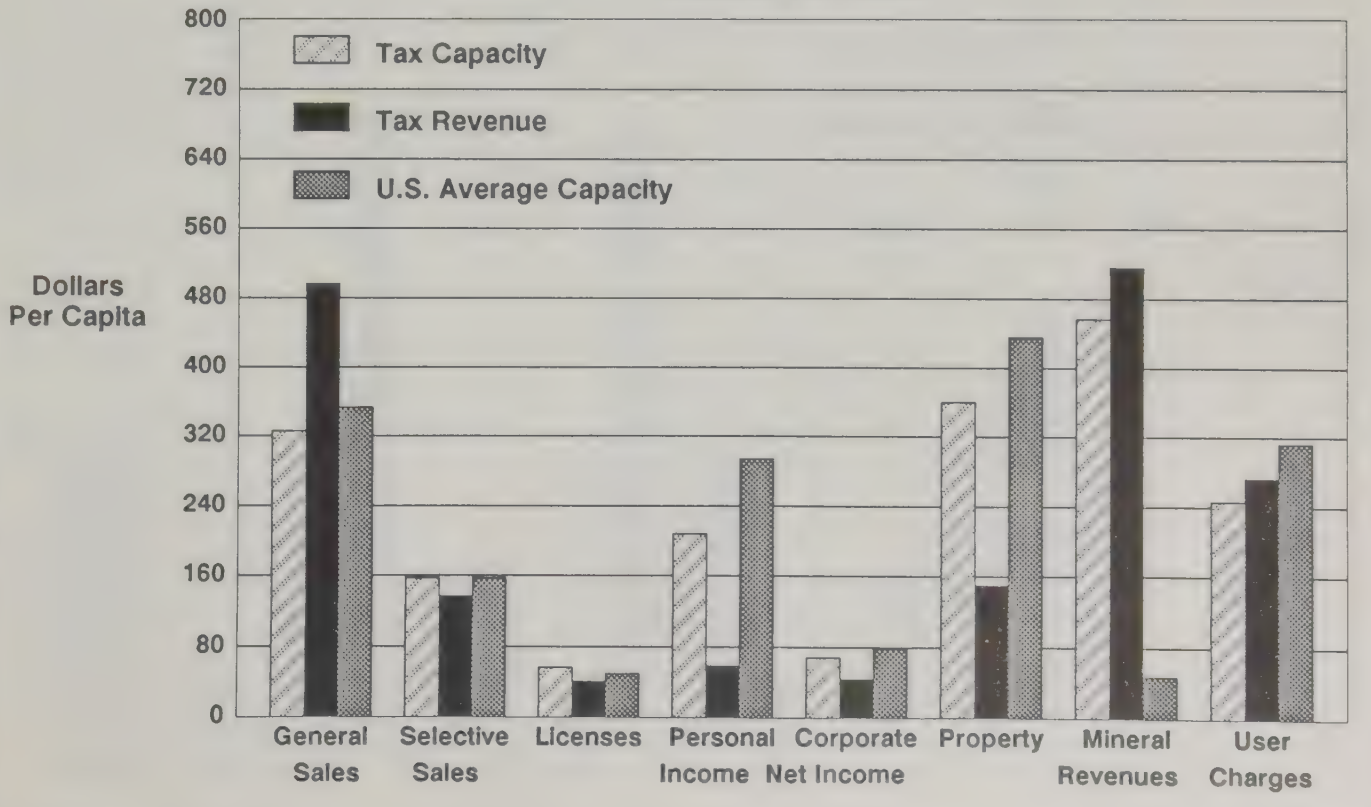
1985 RTS Tax Capacity = 99 **1985 RTS Tax Effort = 86**

Total Tax Capacity and Effort, 1975-85



1985 Tax Capacity and Tax Revenue

Selected Tax Bases

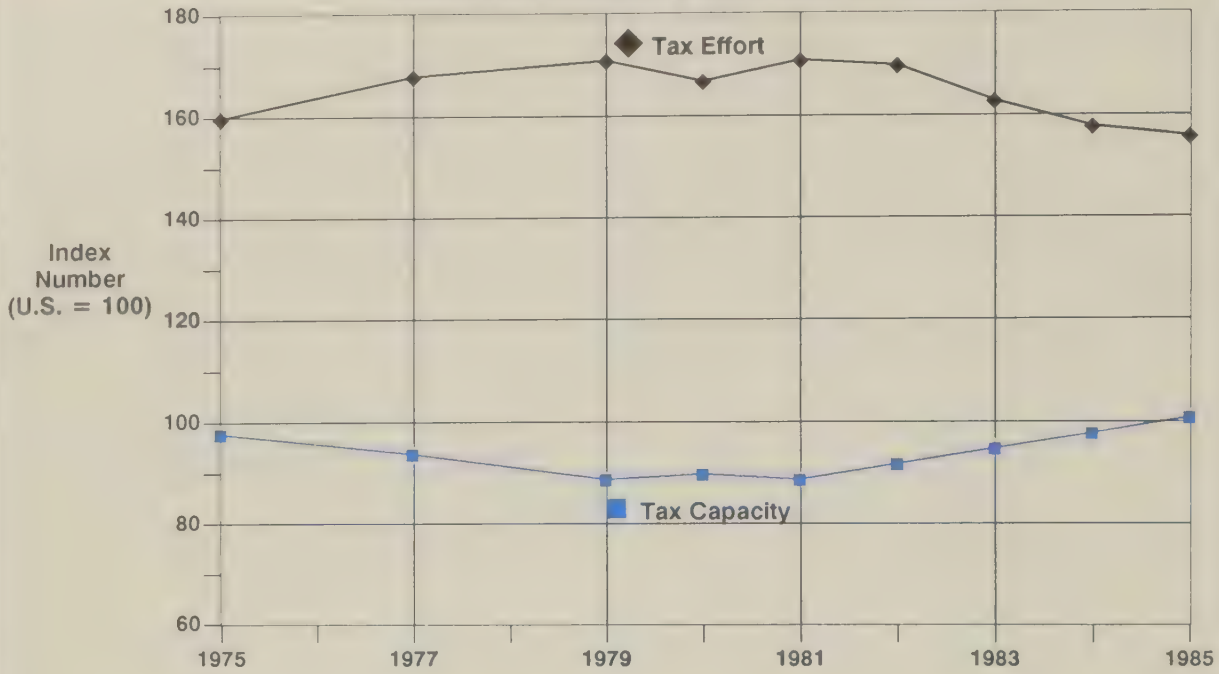


New York

1985 RTS Tax Capacity = 101

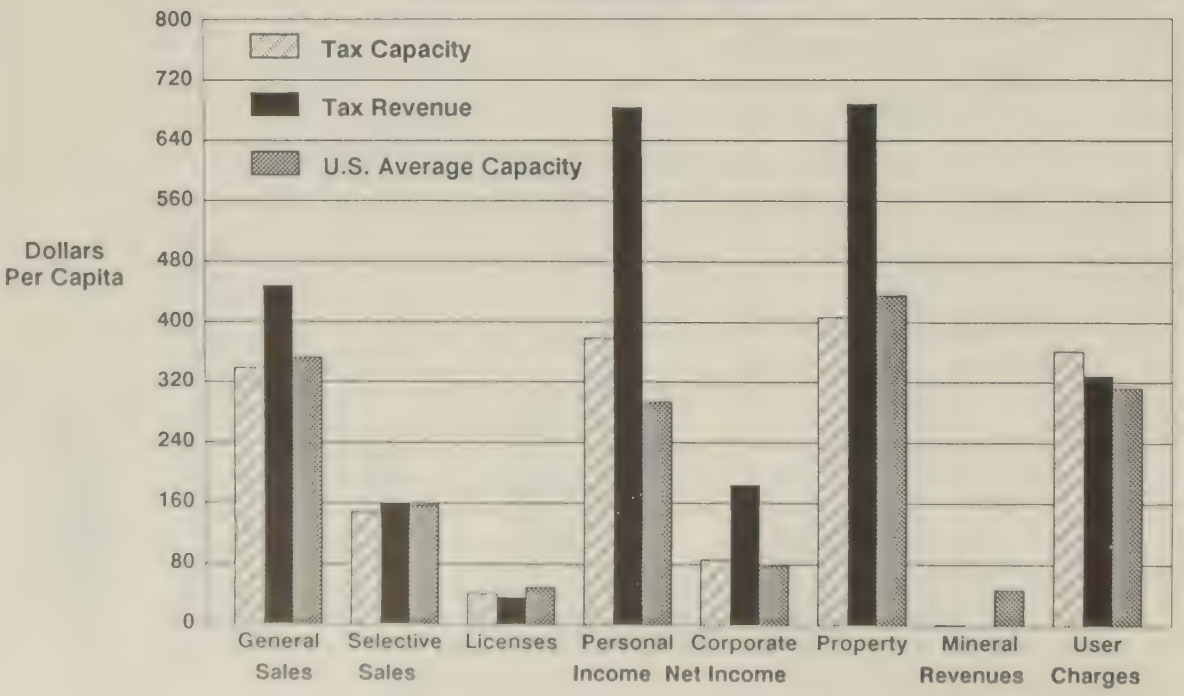
1985 RTS Tax Effort = 156

Total Tax Capacity and Effort, 1975-85



1985 Tax Capacity and Tax Revenue

Selected Tax Bases

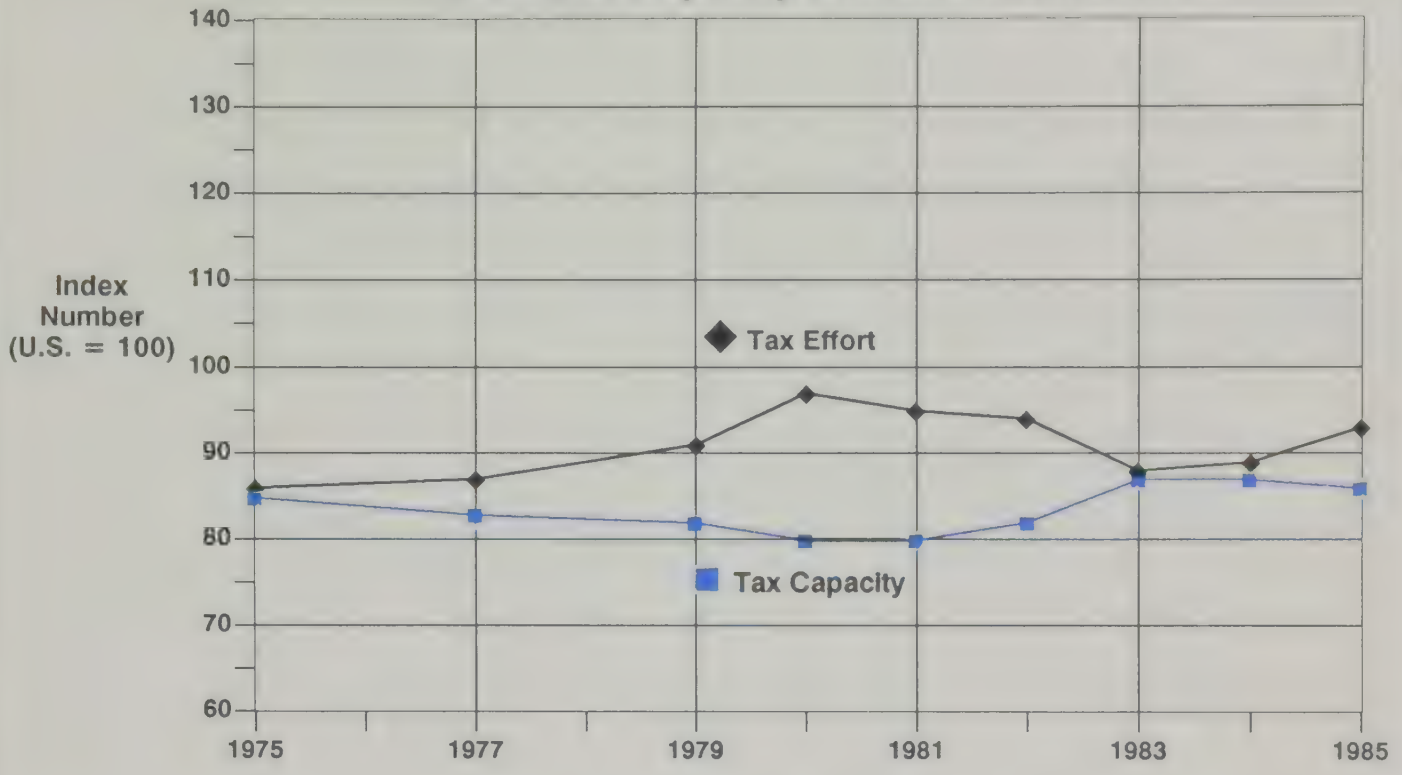


North Carolina

1985 RTS Tax Capacity = 86

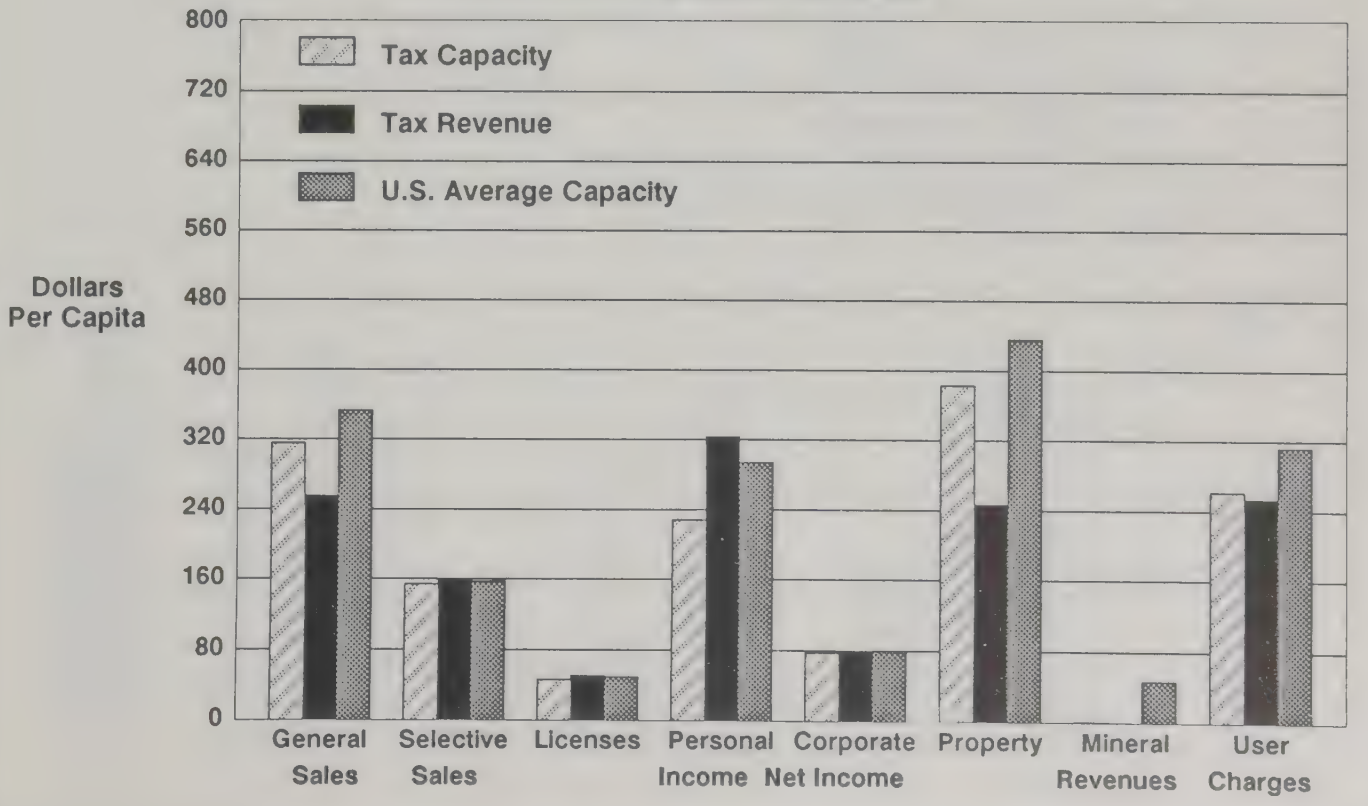
1985 RTS Tax Effort = 93

Total Tax Capacity and Effort, 1975-85



1985 Tax Capacity and Tax Revenue

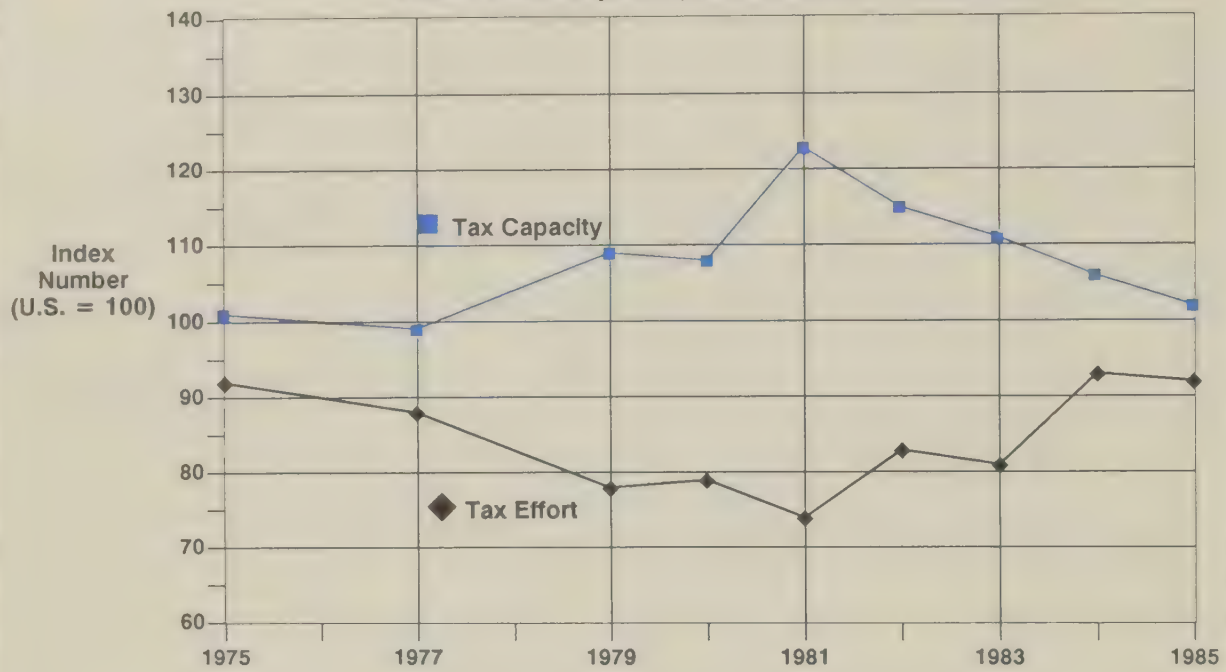
Selected Tax Bases



North Dakota

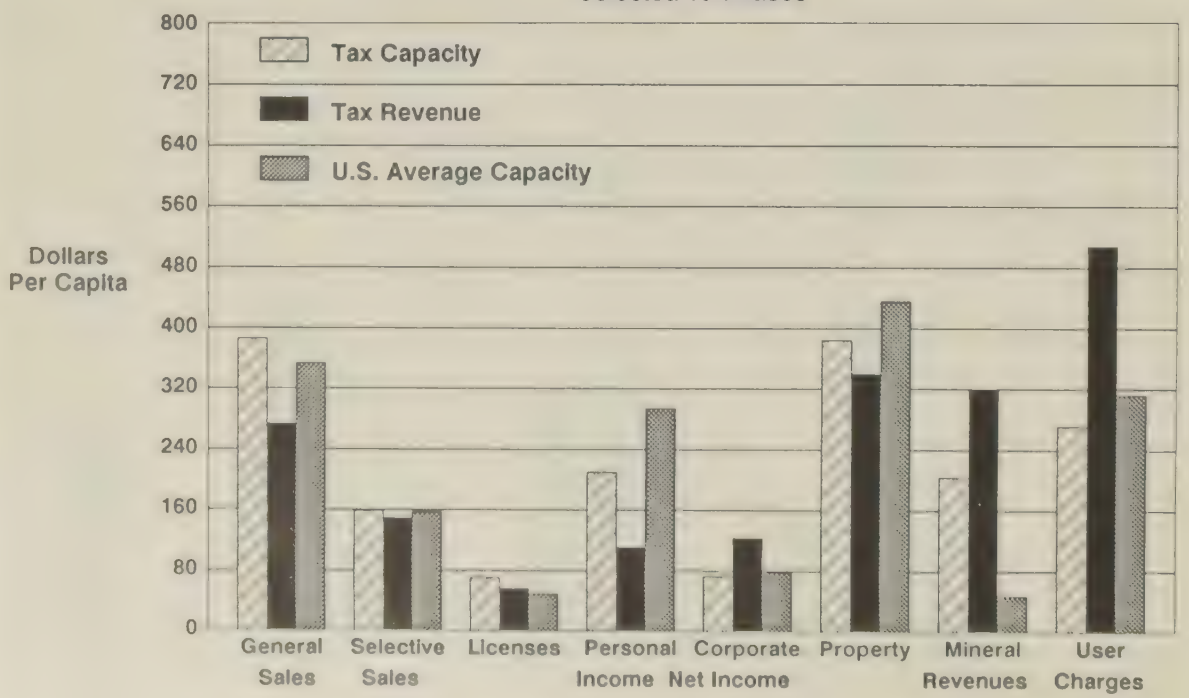
1985 RTS Tax Capacity = 102 **1985 RTS Tax Effort = 92**

Total Tax Capacity and Effort, 1975-85



1985 Tax Capacity and Tax Revenue

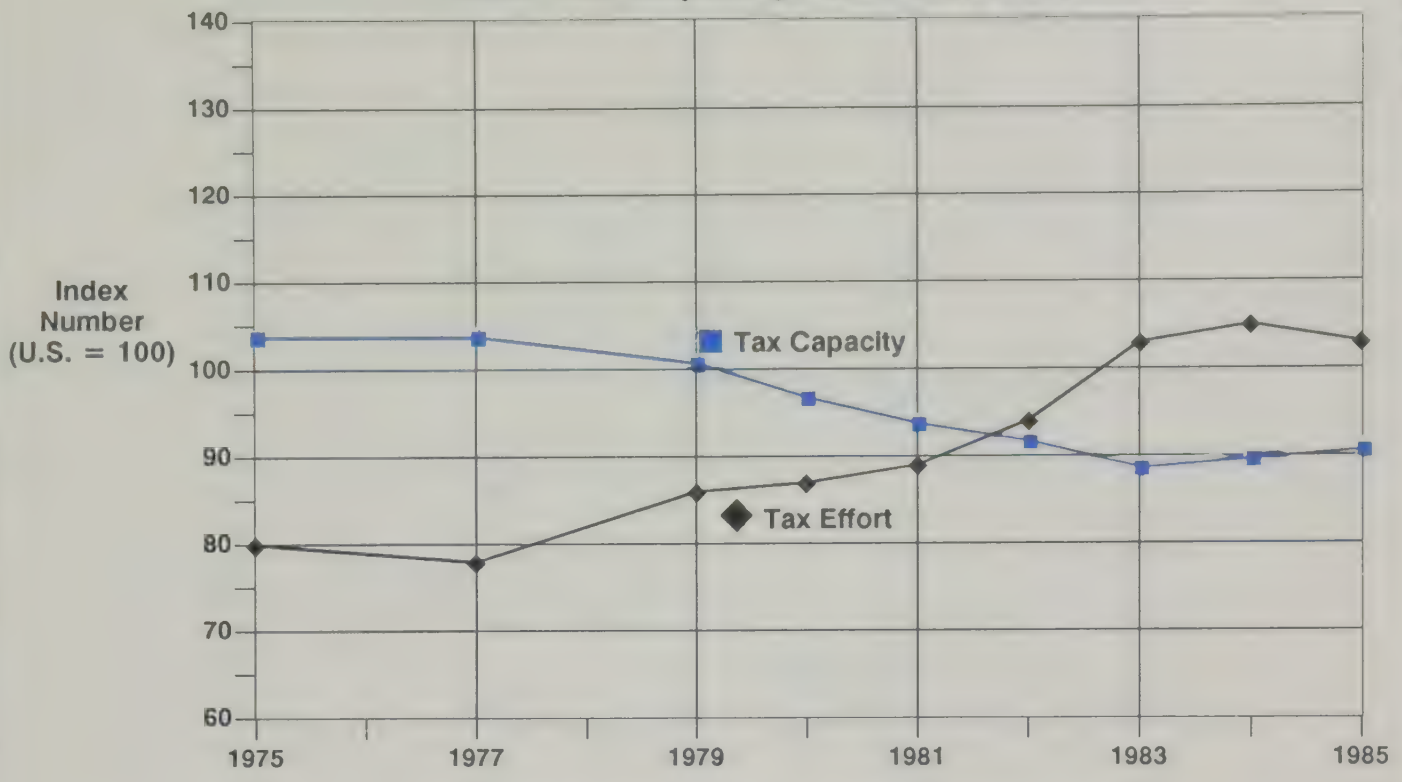
Selected Tax Bases



Ohio

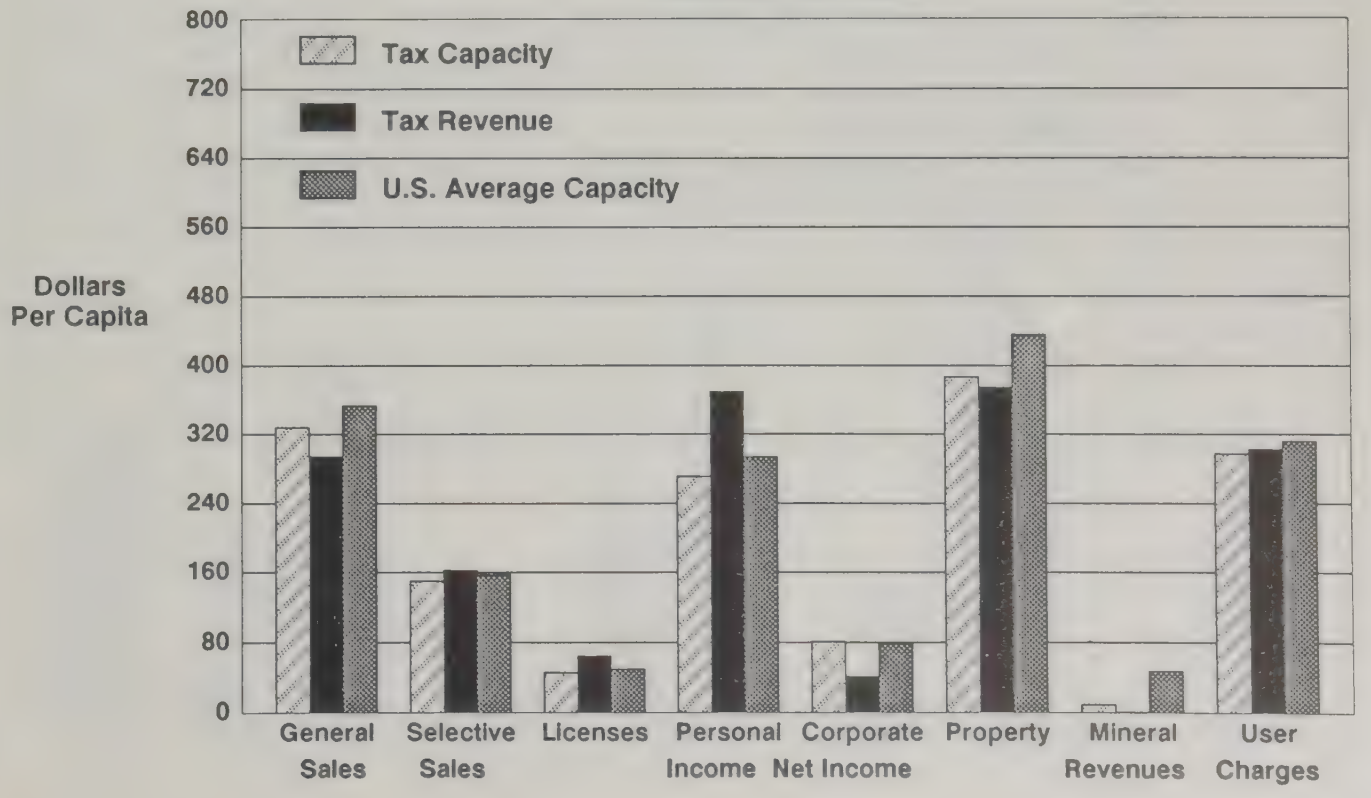
1985 RTS Tax Capacity = 91 **1985 RTS Tax Effort = 103**

Total Tax Capacity and Effort, 1975-85



1985 Tax Capacity and Tax Revenue

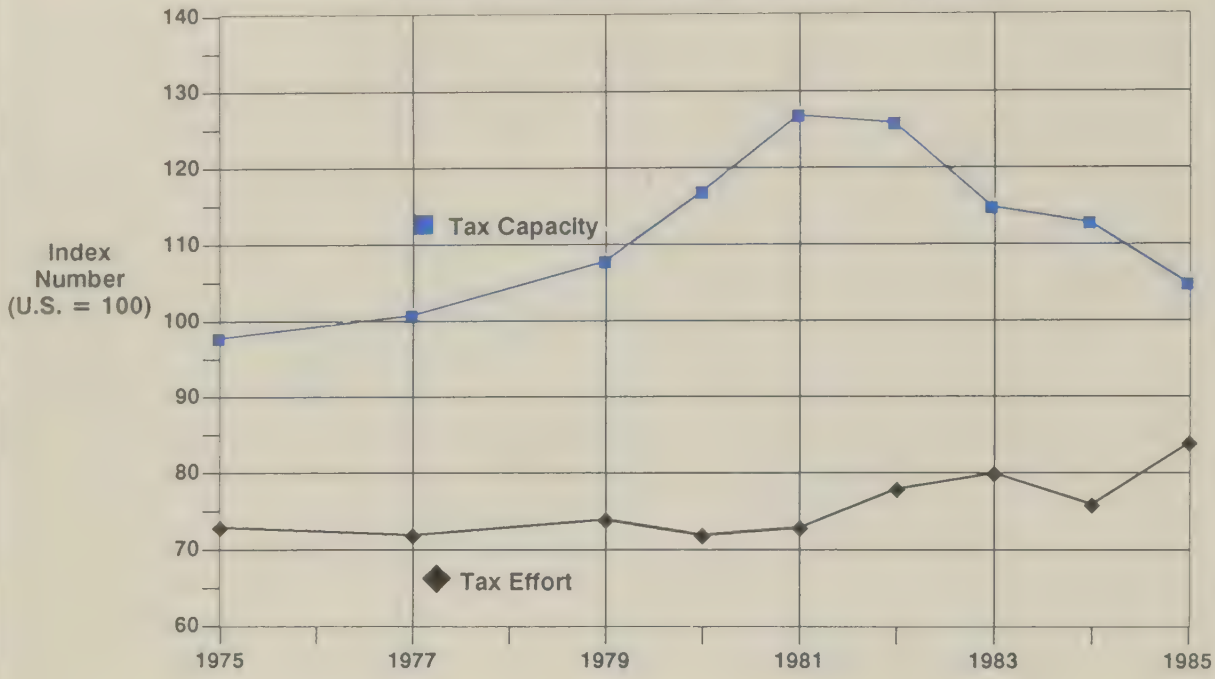
Selected Tax Bases



Oklahoma

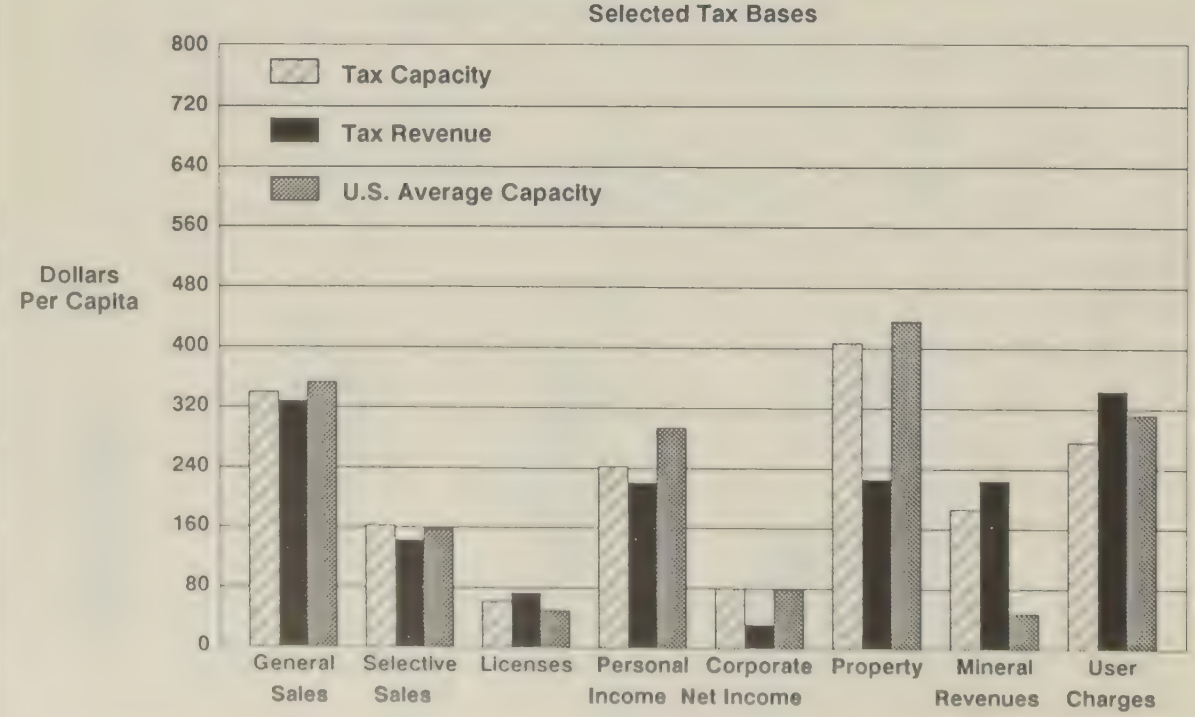
1985 RTS Tax Capacity = 105 **1985 RTS Tax Effort = 84**

Total Tax Capacity and Effort, 1975-85



1985 Tax Capacity and Tax Revenue

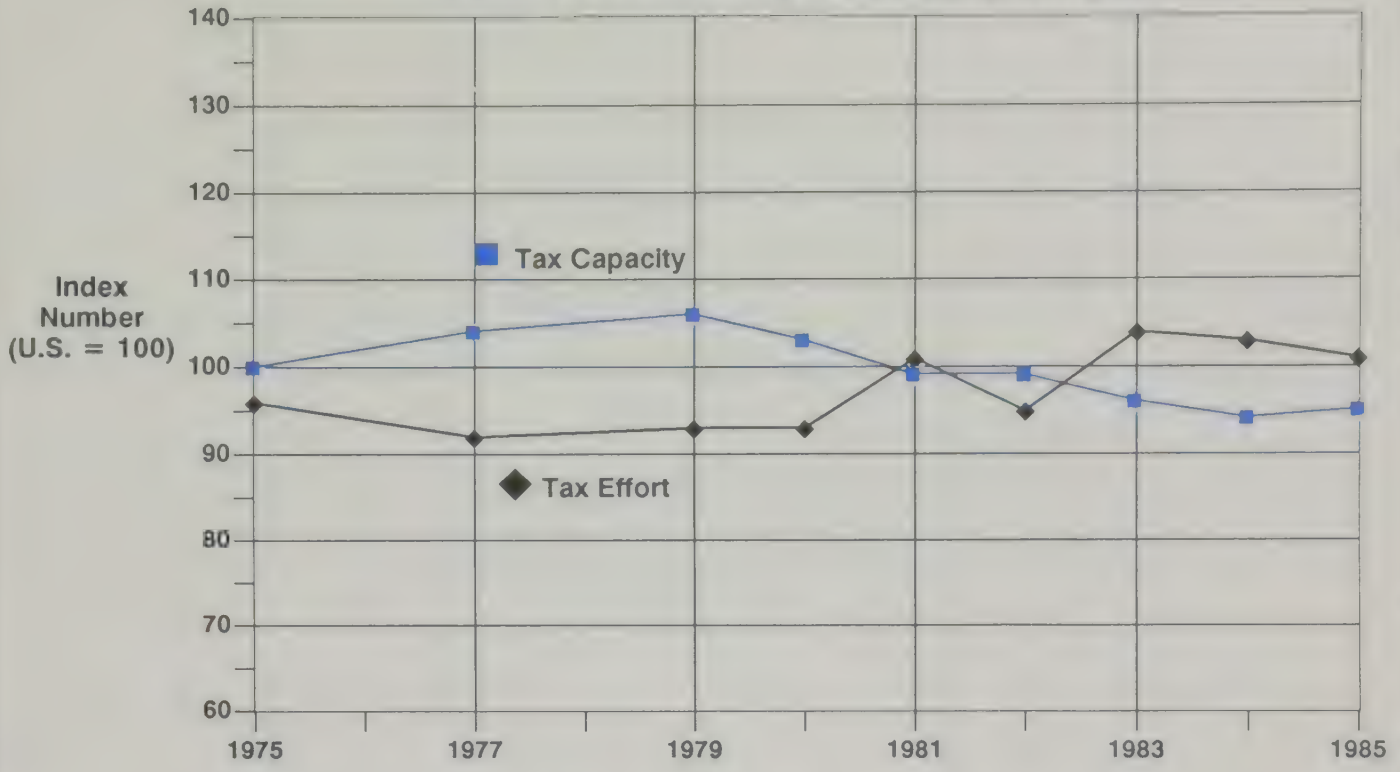
Selected Tax Bases



Oregon

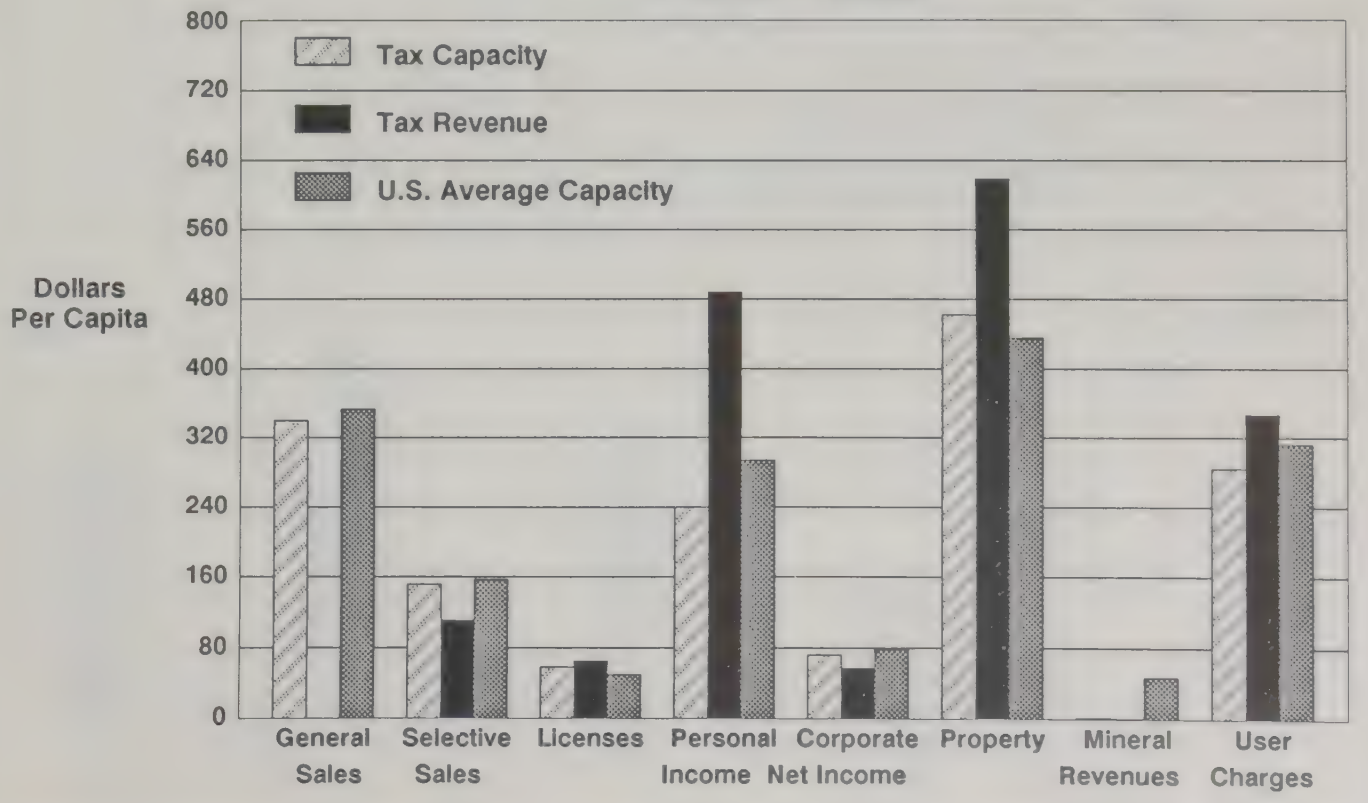
1985 RTS Tax Capacity = 95 **1985 RTS Tax Effort = 101**

Total Tax Capacity and Effort, 1975-85



1985 Tax Capacity and Tax Revenue

Selected Tax Bases

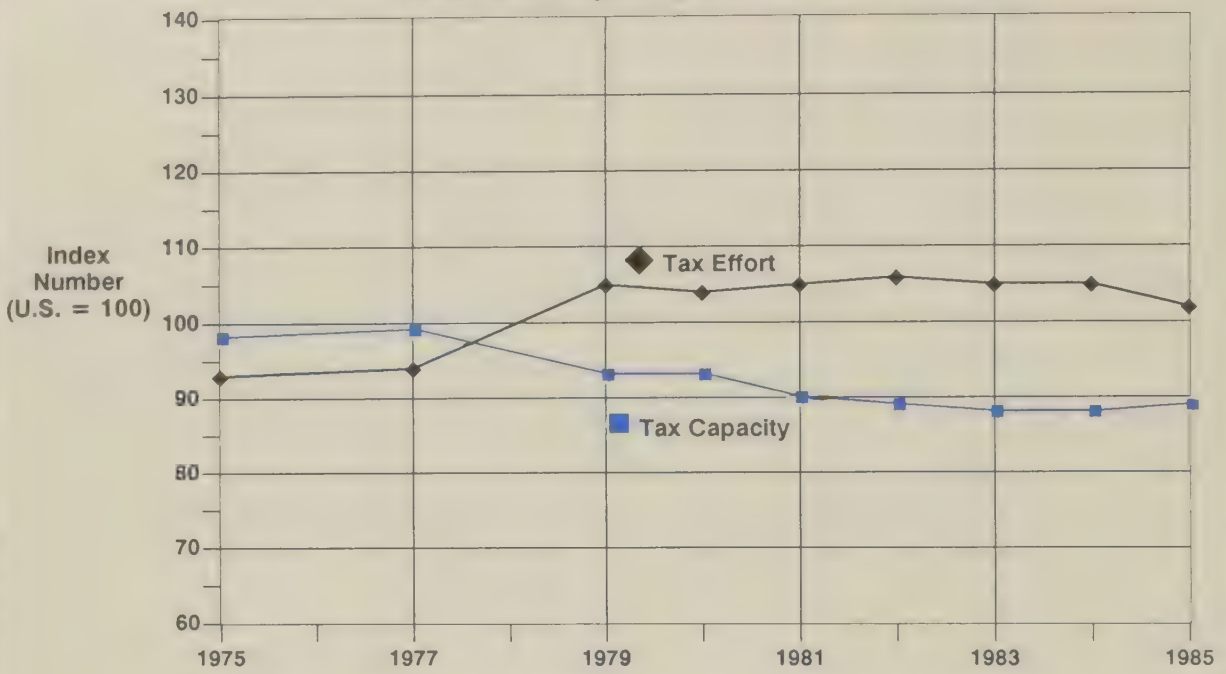


Pennsylvania

1985 RTS Tax Capacity = 89

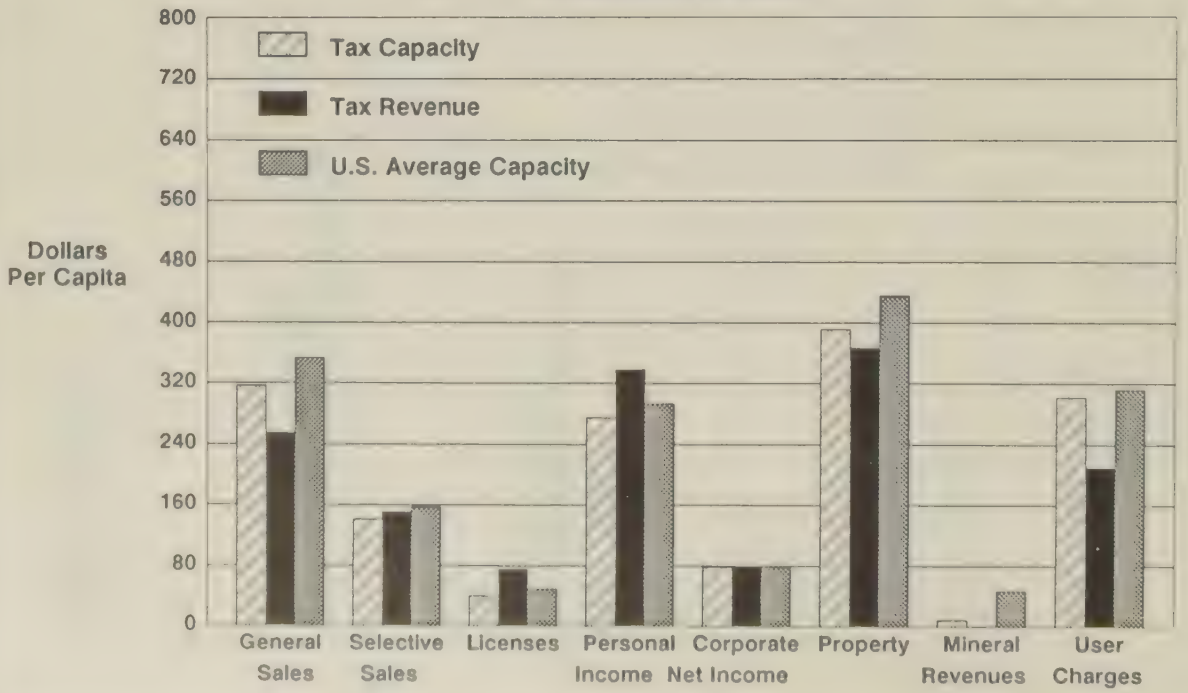
1985 RTS Tax Effort = 102

Total Tax Capacity and Effort, 1975-85



1985 Tax Capacity and Tax Revenue

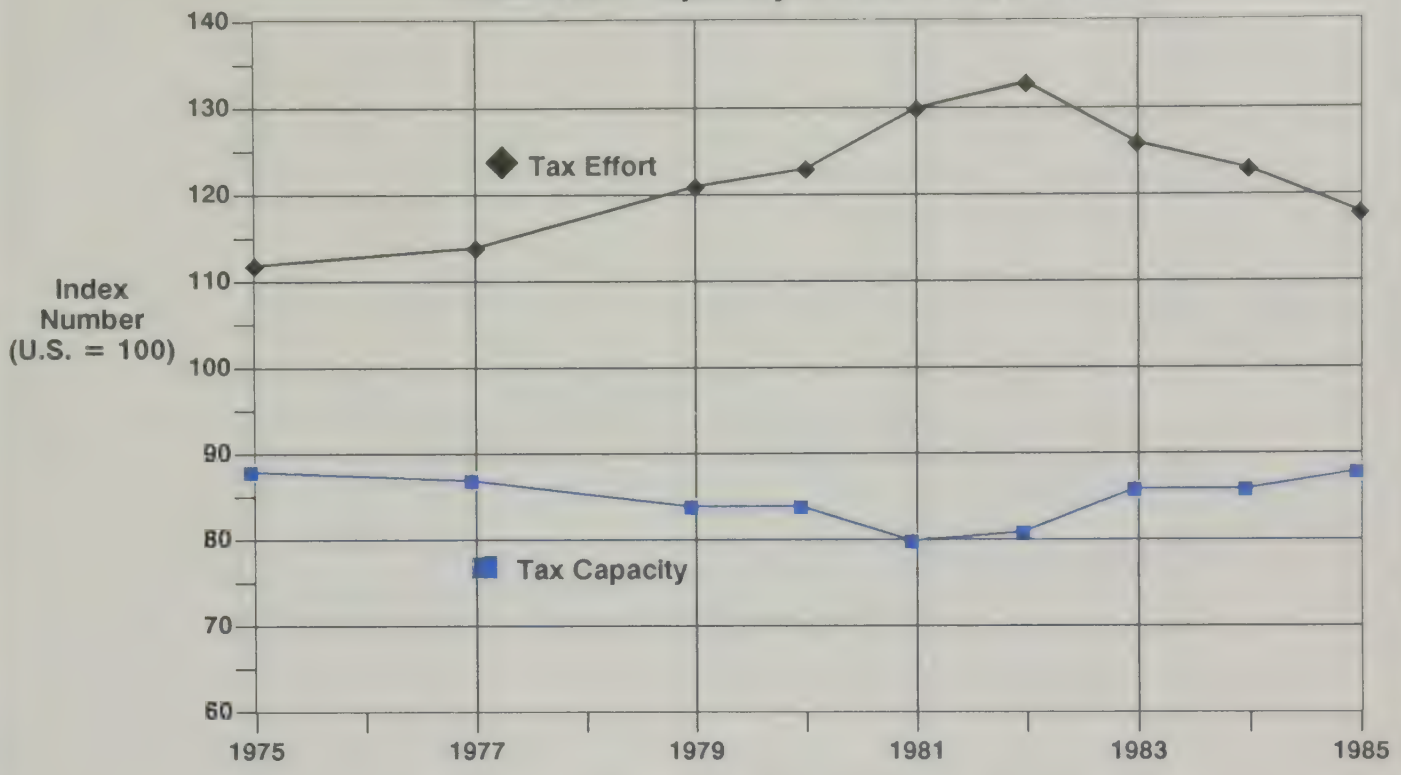
Selected Tax Bases



Rhode Island

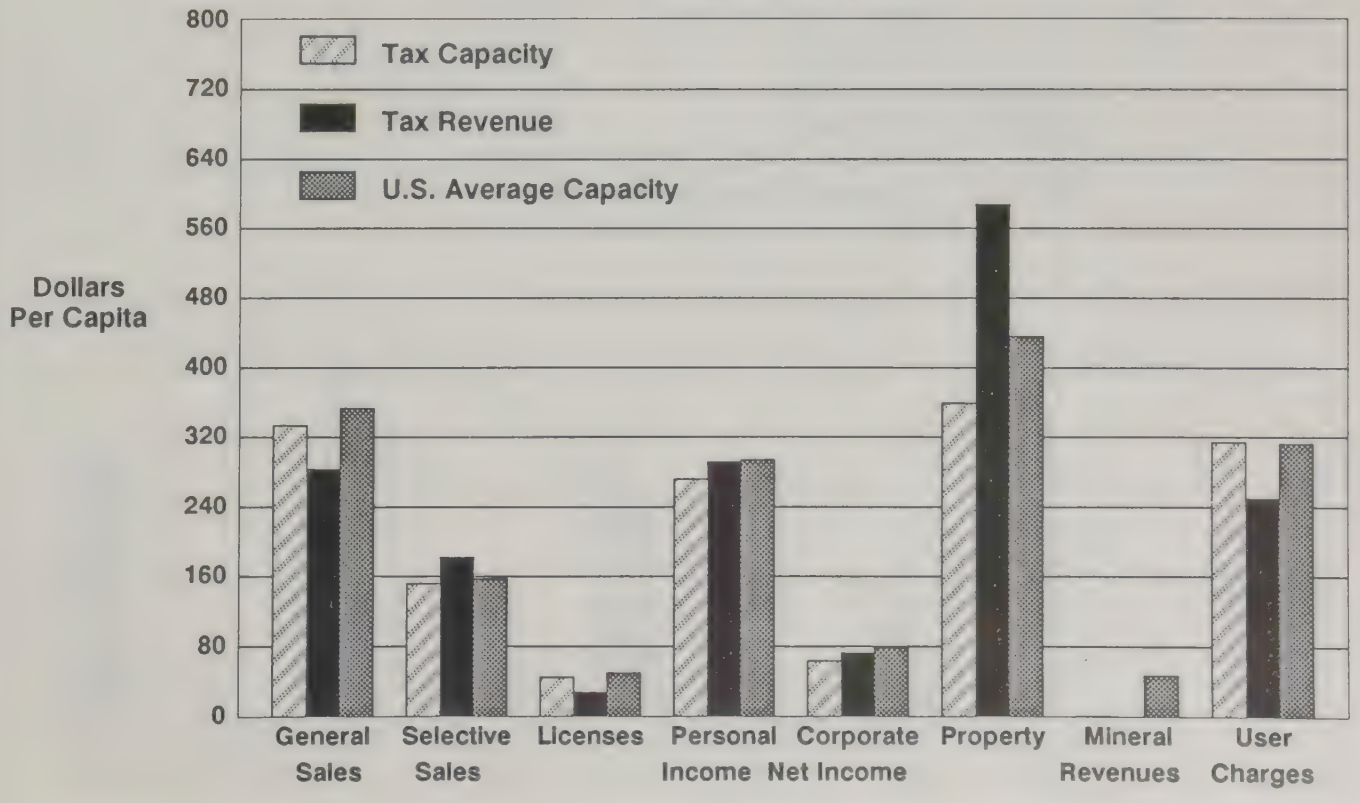
1985 RTS Tax Capacity = 88 **1985 RTS Tax Effort = 118**

Total Tax Capacity and Effort, 1975-85



1985 Tax Capacity and Tax Revenue

Selected Tax Bases

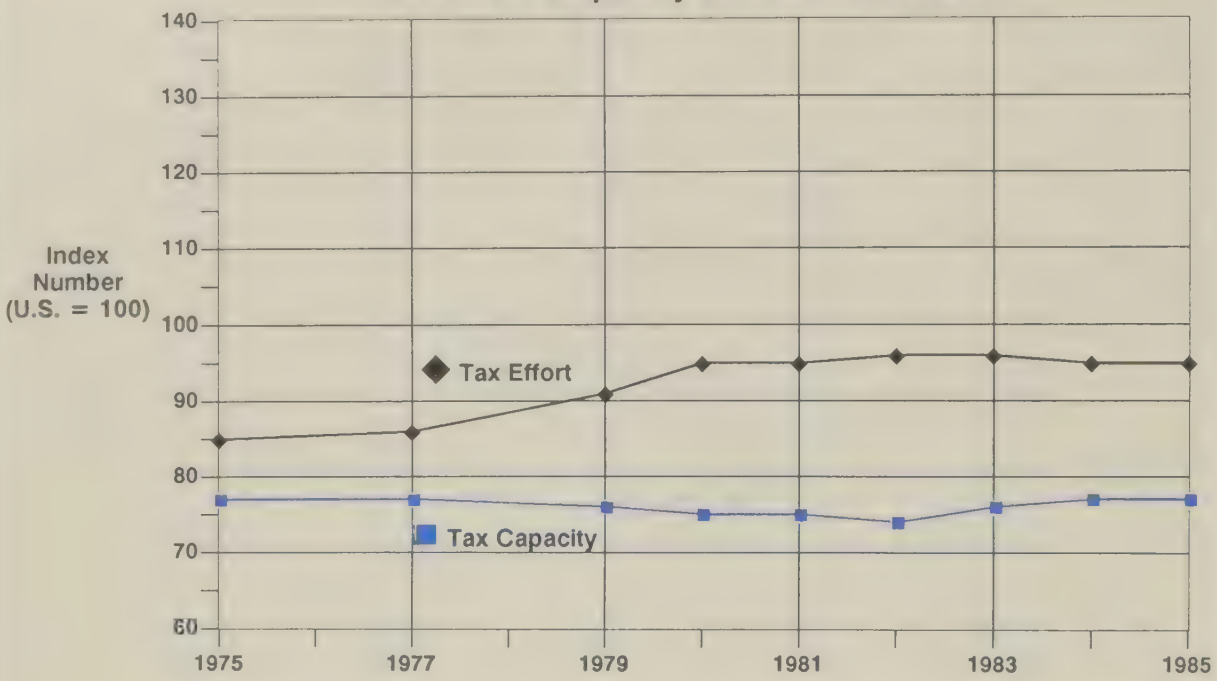


South Carolina

1985 RTS Tax Capacity = 77

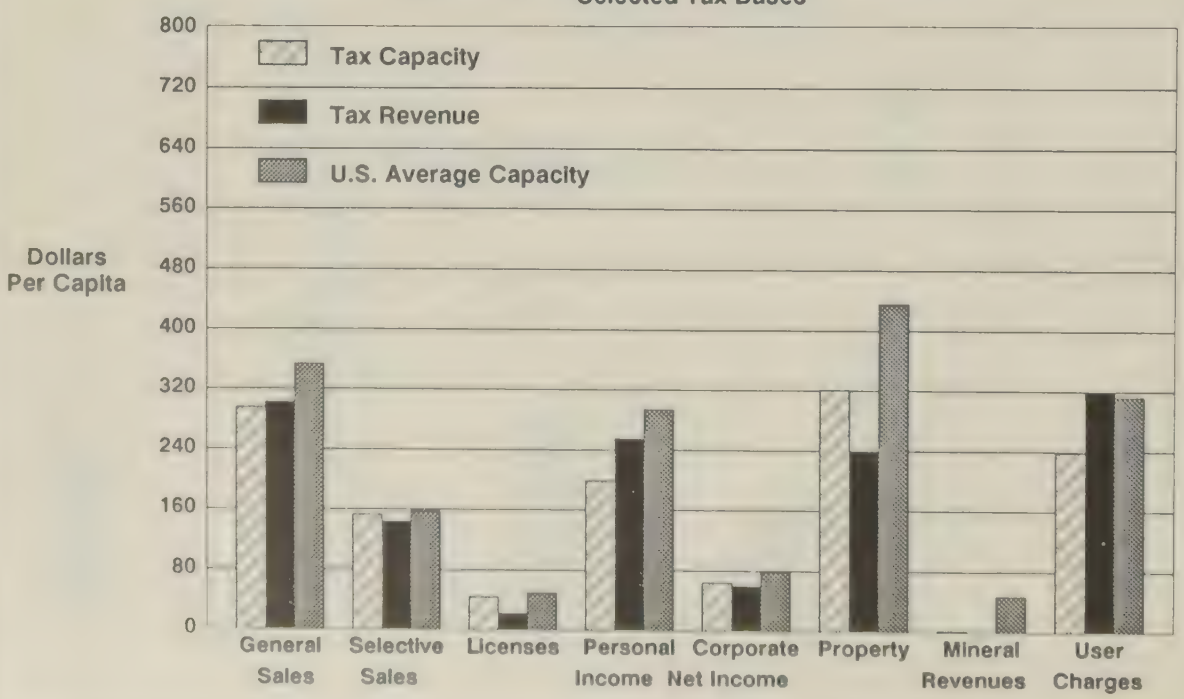
1985 RTS Tax Effort = 95

Total Tax Capacity and Effort, 1975-85



1985 Tax Capacity and Tax Revenue

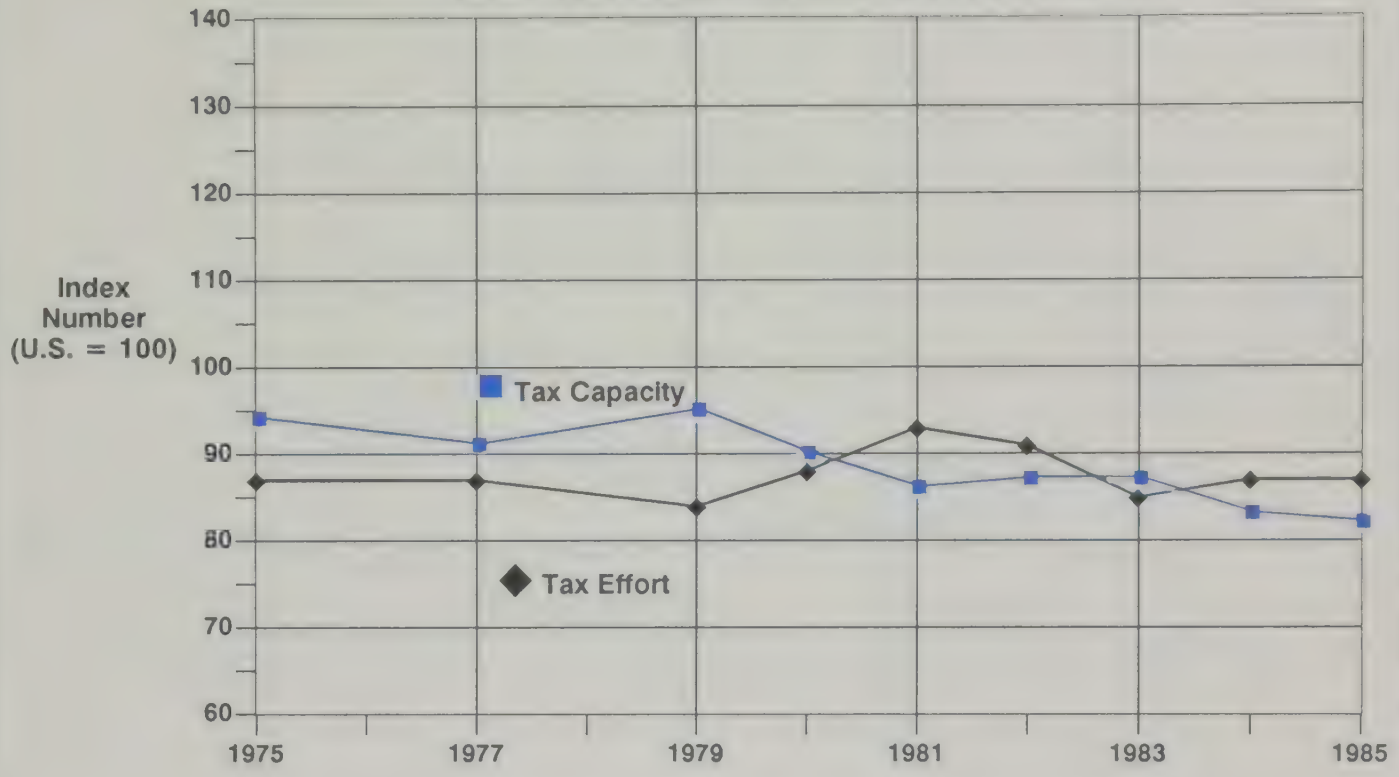
Selected Tax Bases



South Dakota

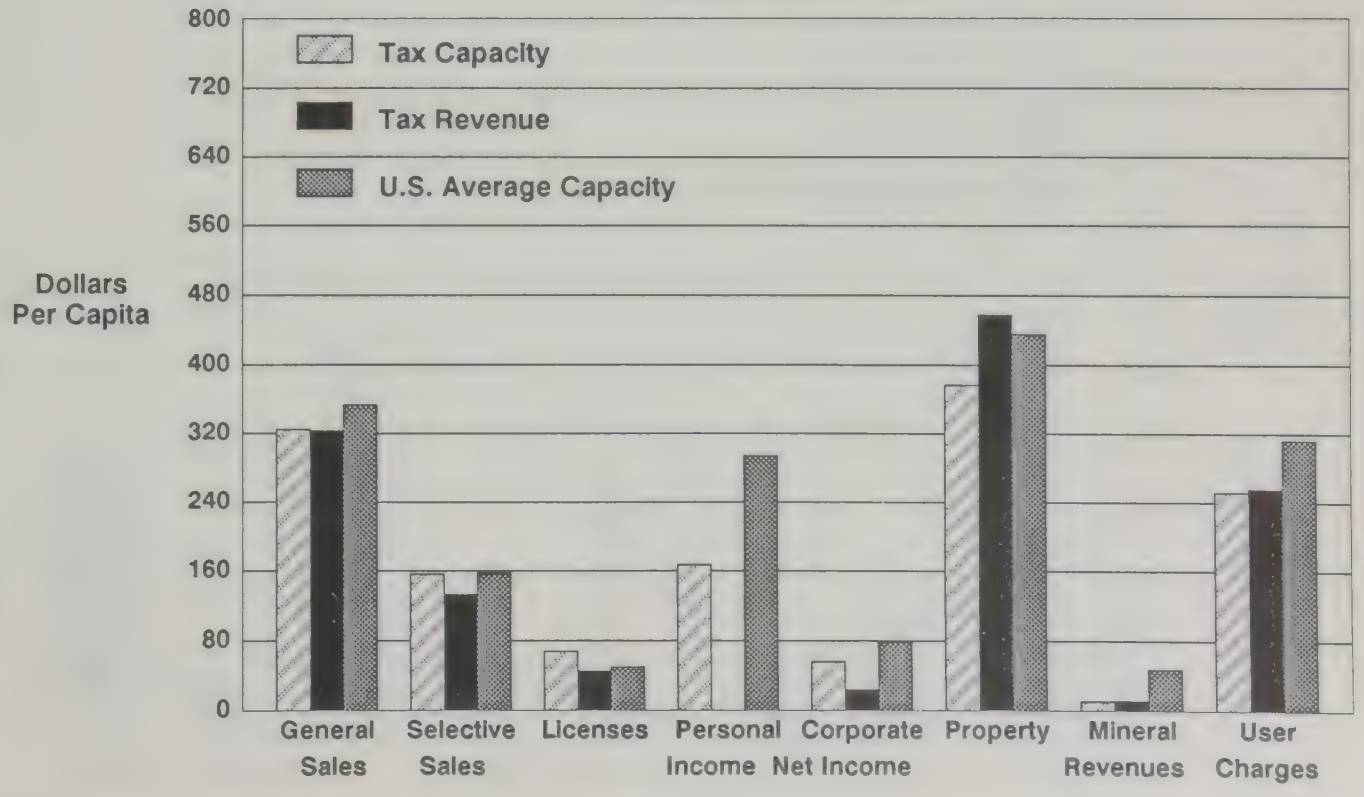
1985 RTS Tax Capacity = 82 **1985 RTS Tax Effort = 87**

Total Tax Capacity and Effort, 1975-85



1985 Tax Capacity and Tax Revenue

Selected Tax Bases

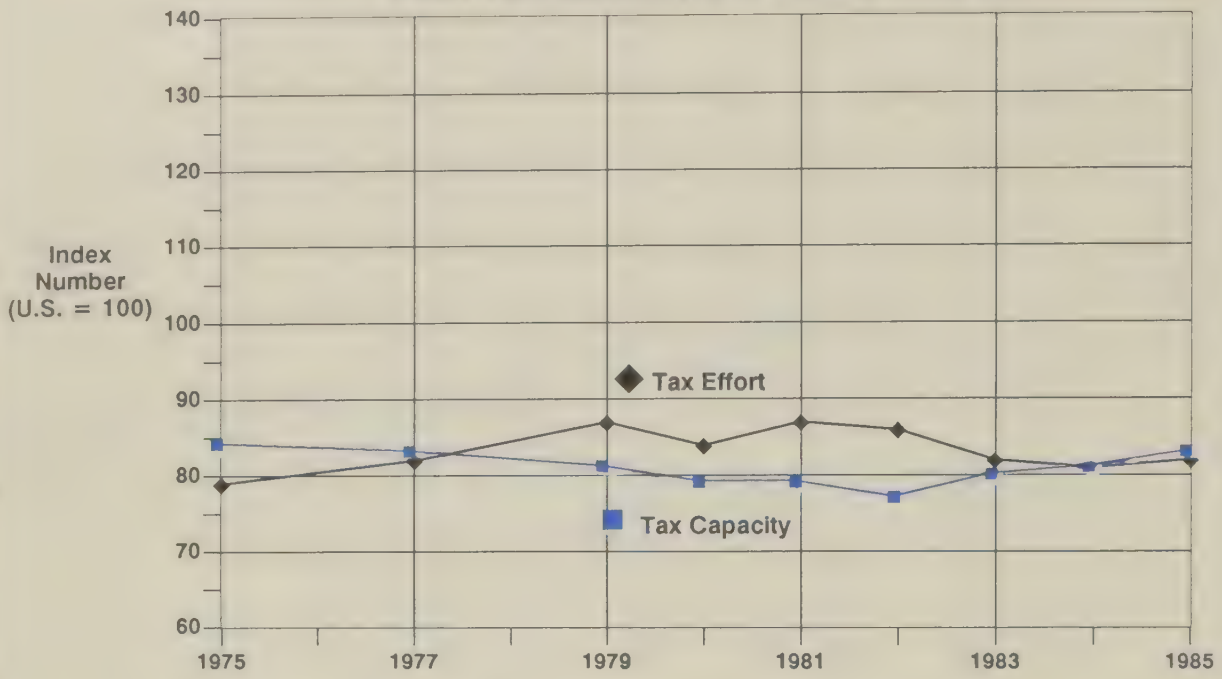


Tennessee

1985 RTS Tax Capacity = 83

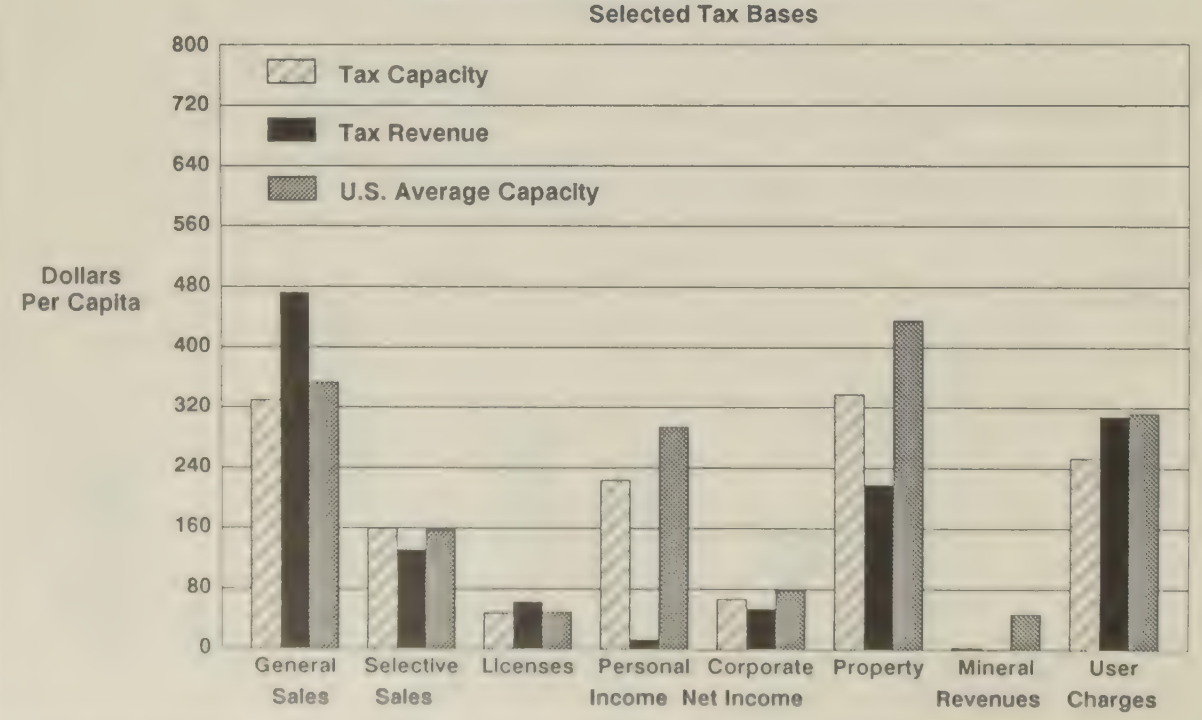
1985 RTS Tax Effort = 82

Total Tax Capacity and Effort, 1975-85



1985 Tax Capacity and Tax Revenue

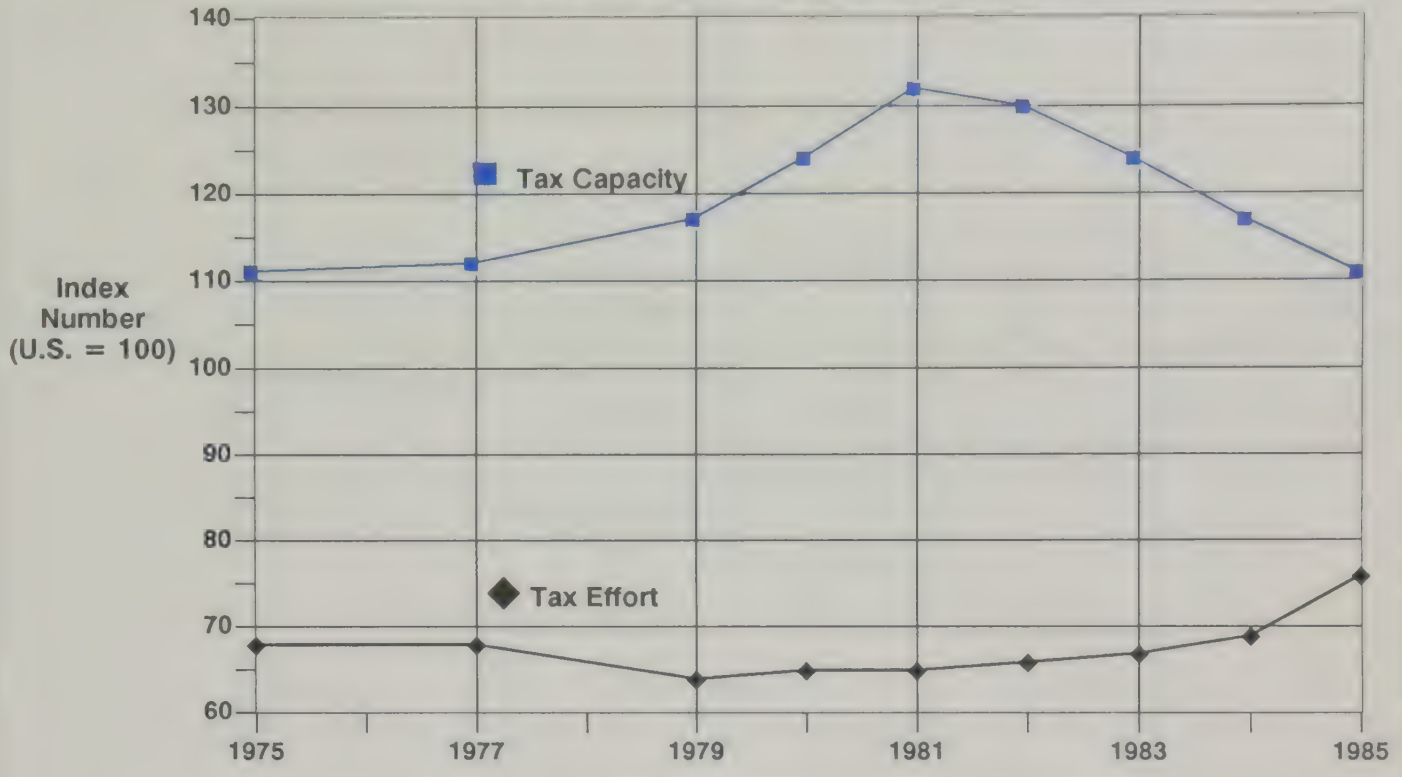
Selected Tax Bases



Texas

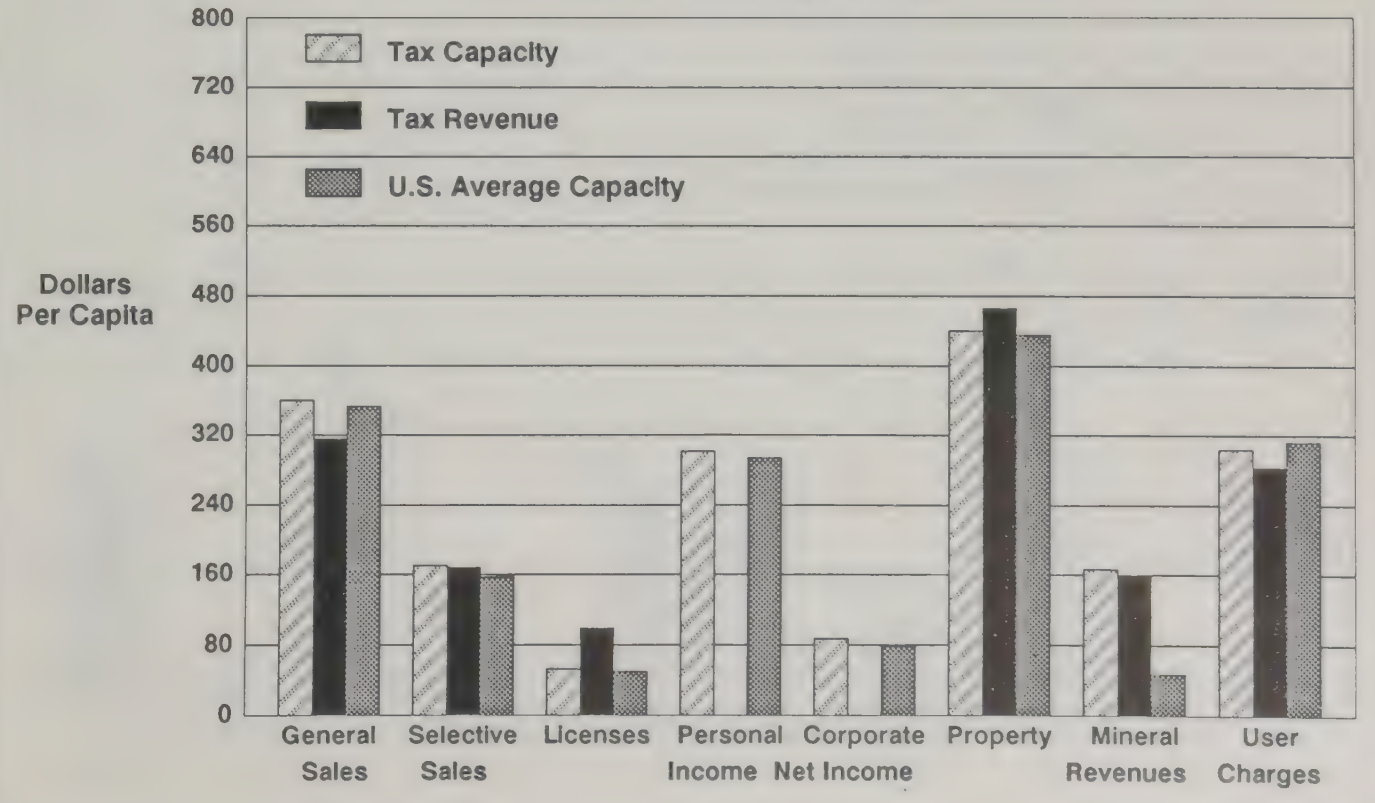
1985 RTS Tax Capacity = 111 **1985 RTS Tax Effort = 76**

Total Tax Capacity and Effort, 1975-85



1985 Tax Capacity and Tax Revenue

Selected Tax Bases

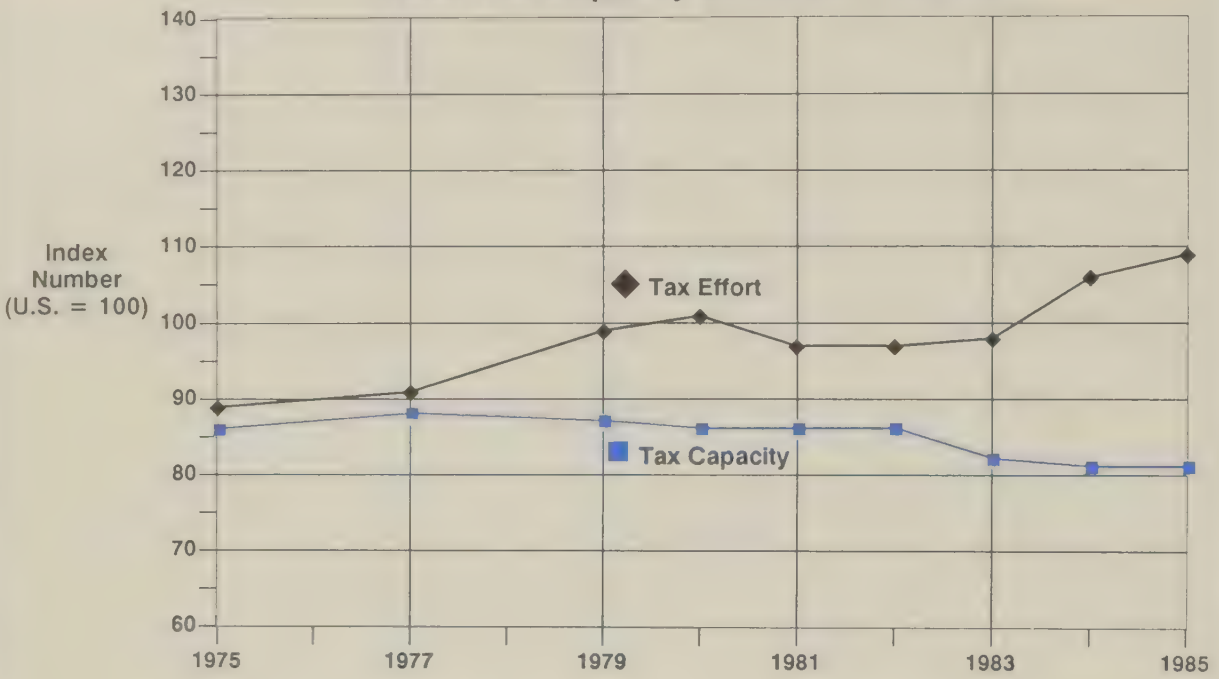


Utah

1985 RTS Tax Capacity = 81

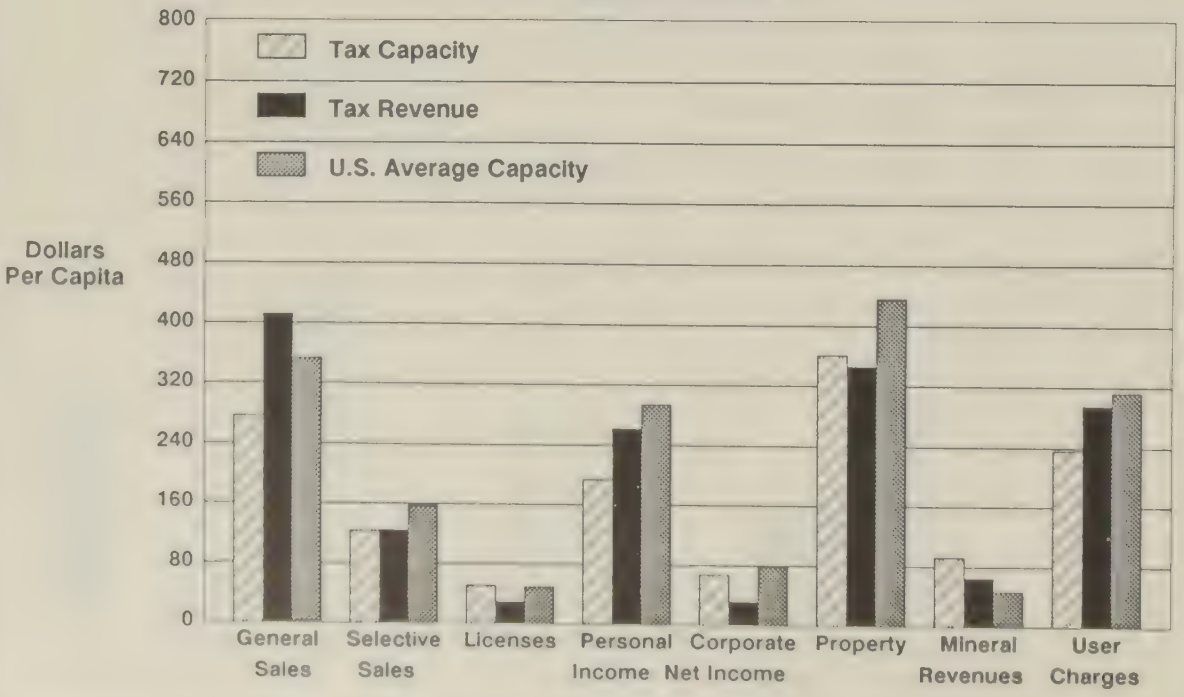
1985 RTS Tax Effort = 109

Total Tax Capacity and Effort, 1975-85



1985 Tax Capacity and Tax Revenue

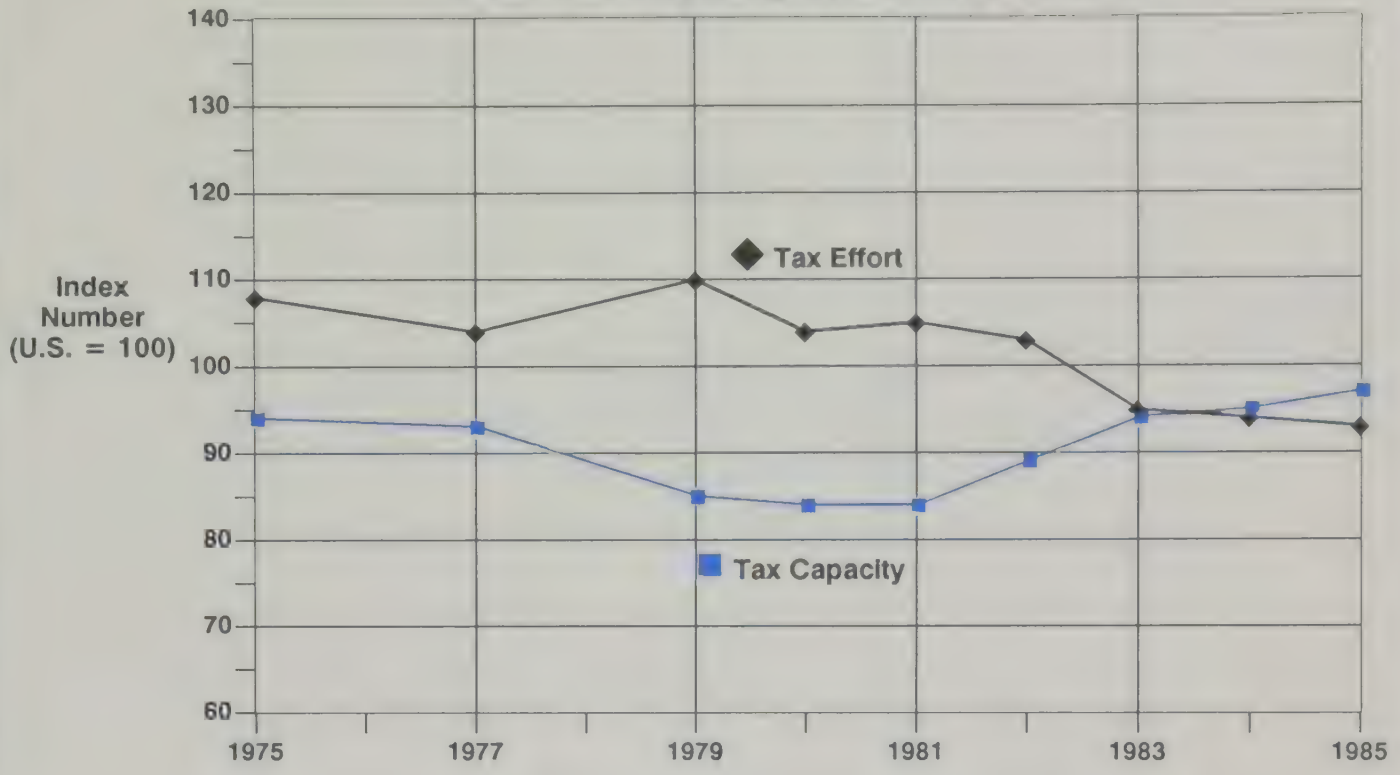
Selected Tax Bases



Vermont

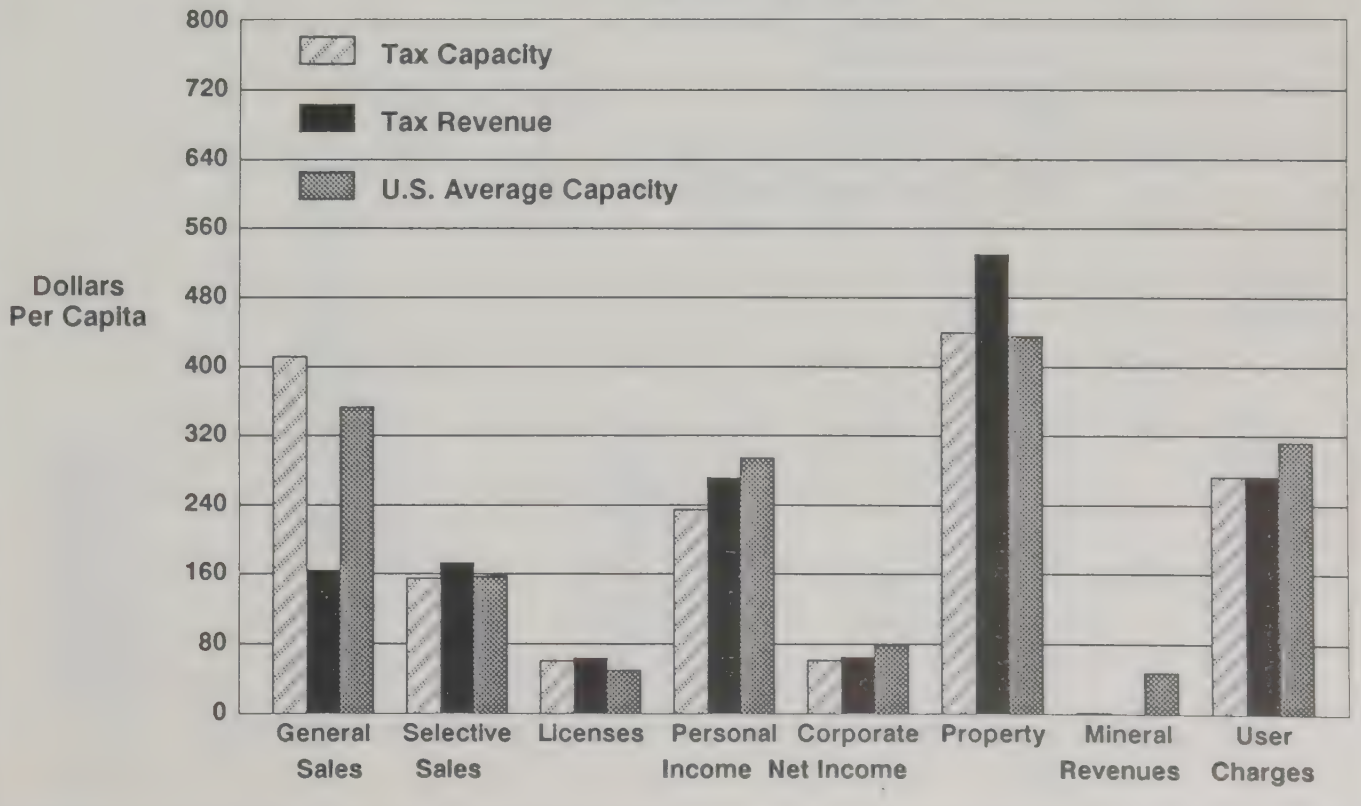
1985 RTS Tax Capacity = 97 **1985 RTS Tax Effort = 93**

Total Tax Capacity and Effort, 1975-85



1985 Tax Capacity and Tax Revenue

Selected Tax Bases

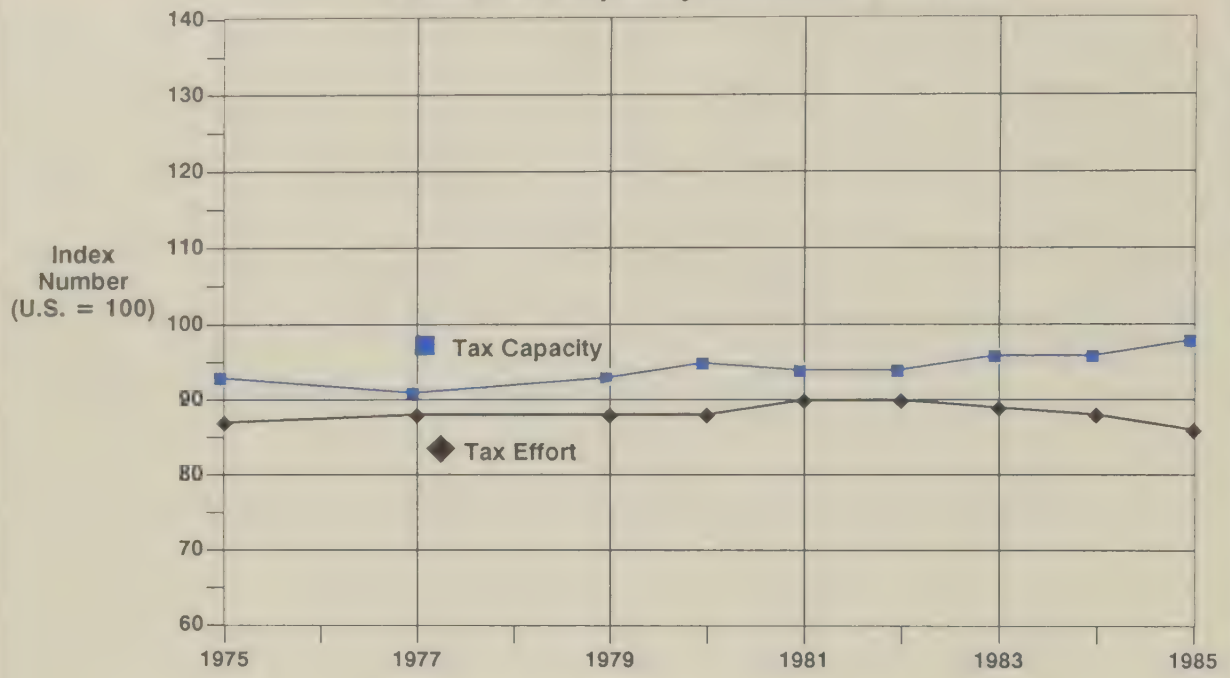


Virginia

1985 RTS Tax Capacity = 98

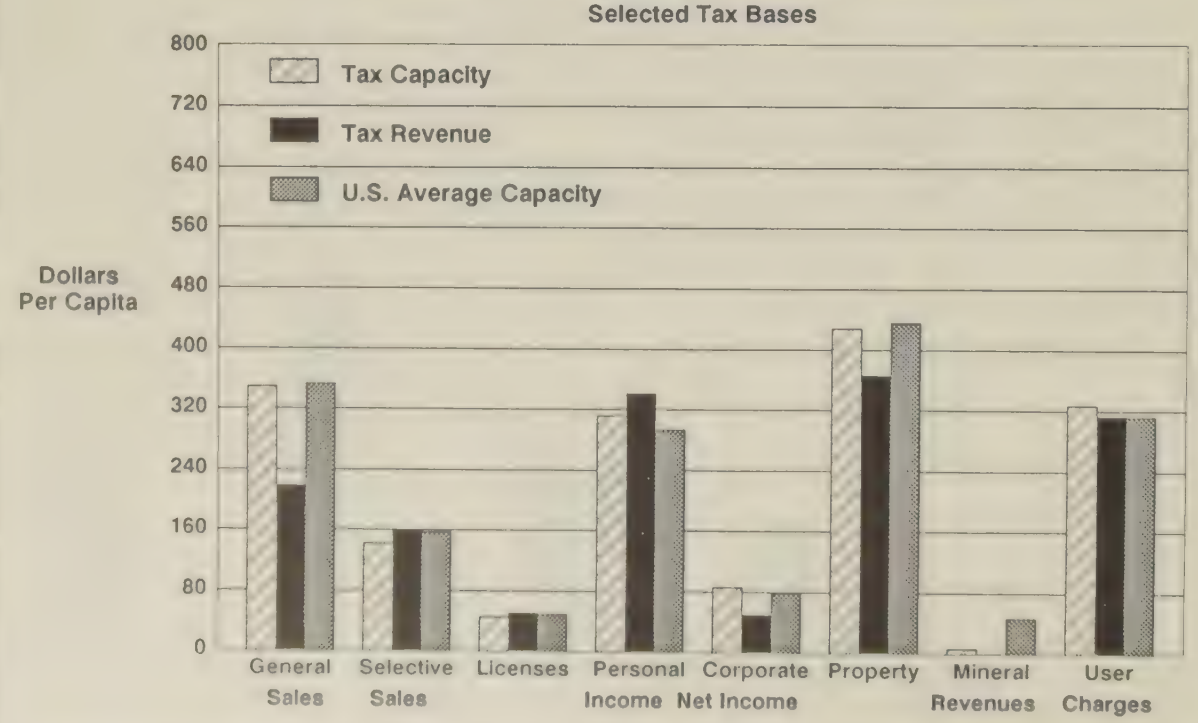
1985 RTS Tax Effort = 86

Total Tax Capacity and Effort, 1975-85



1985 Tax Capacity and Tax Revenue

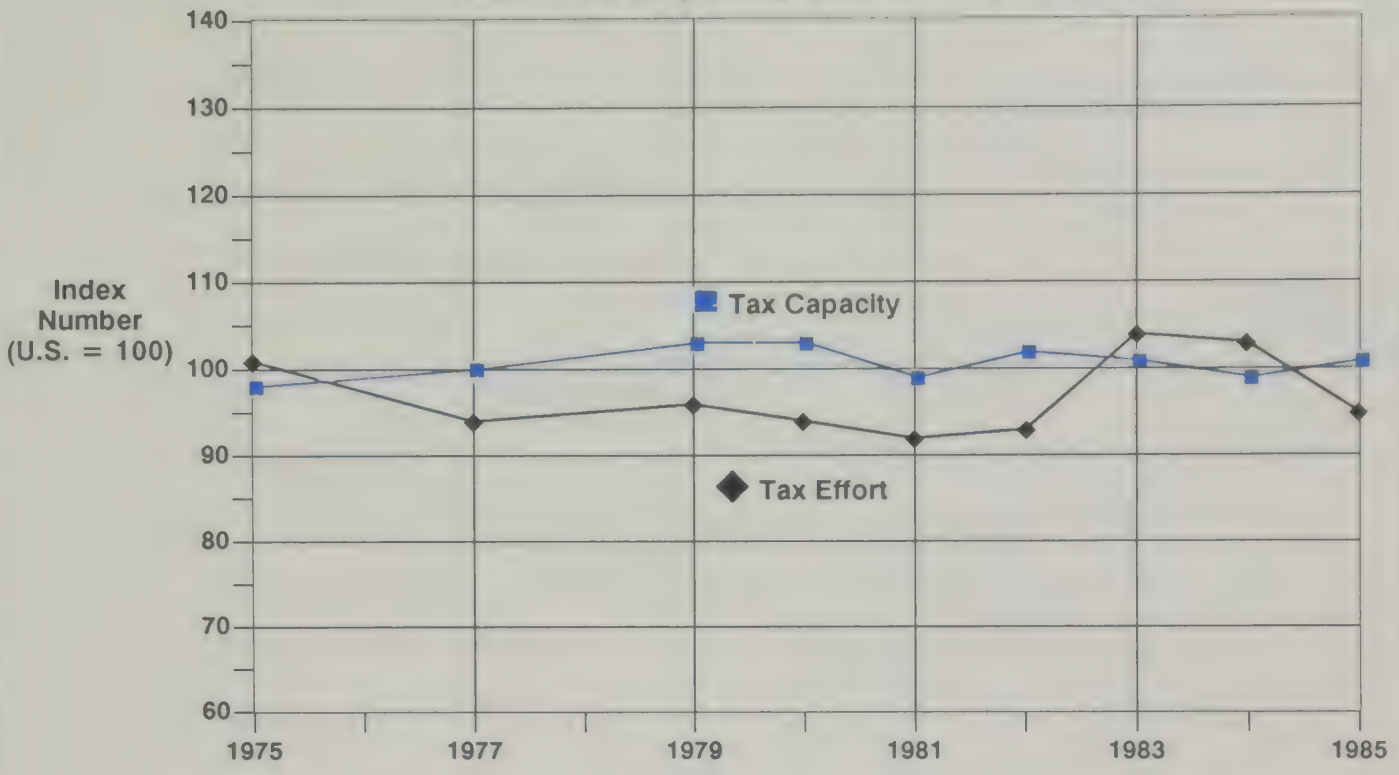
Selected Tax Bases



Washington

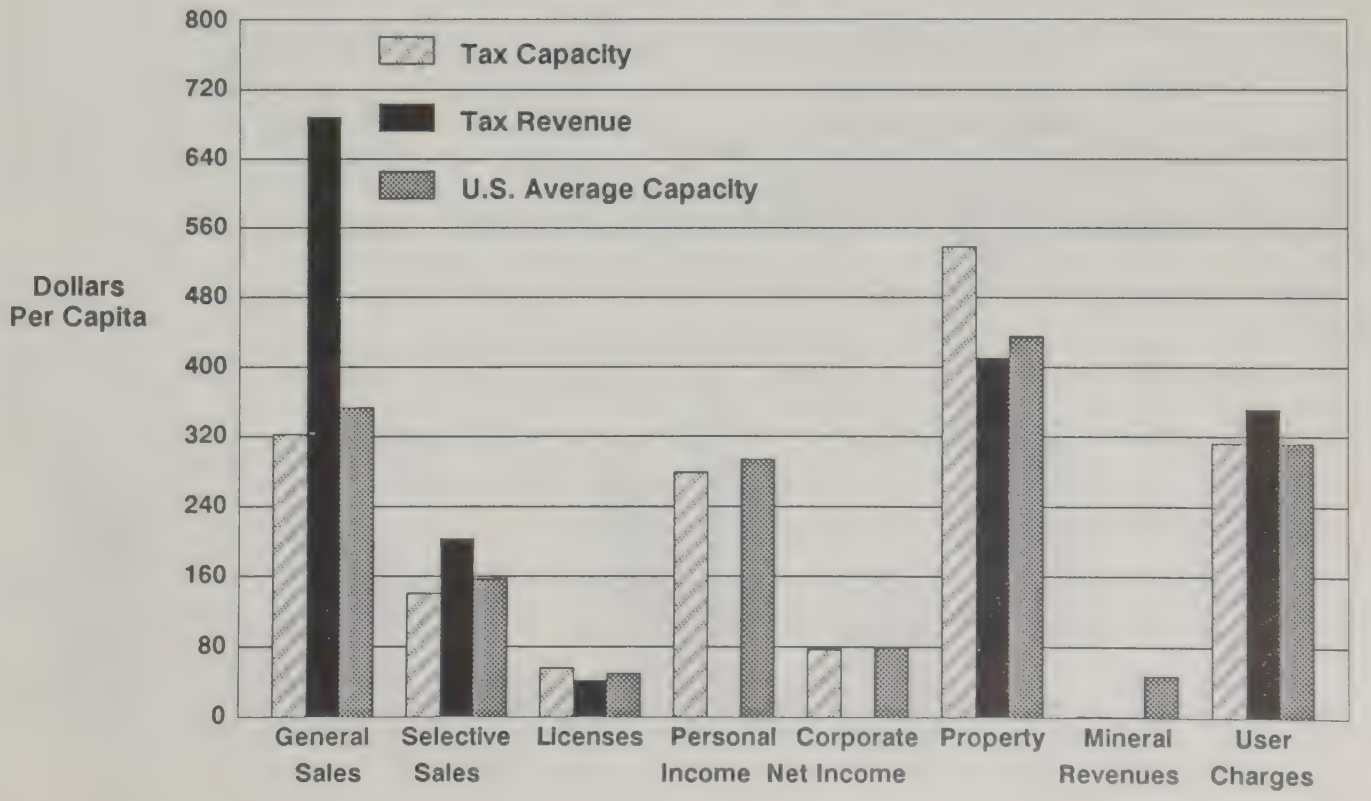
1985 RTS Tax Capacity = 101 **1985 RTS Tax Effort = 95**

Total Tax Capacity and Effort, 1975-85



1985 Tax Capacity and Tax Revenue

Selected Tax Bases

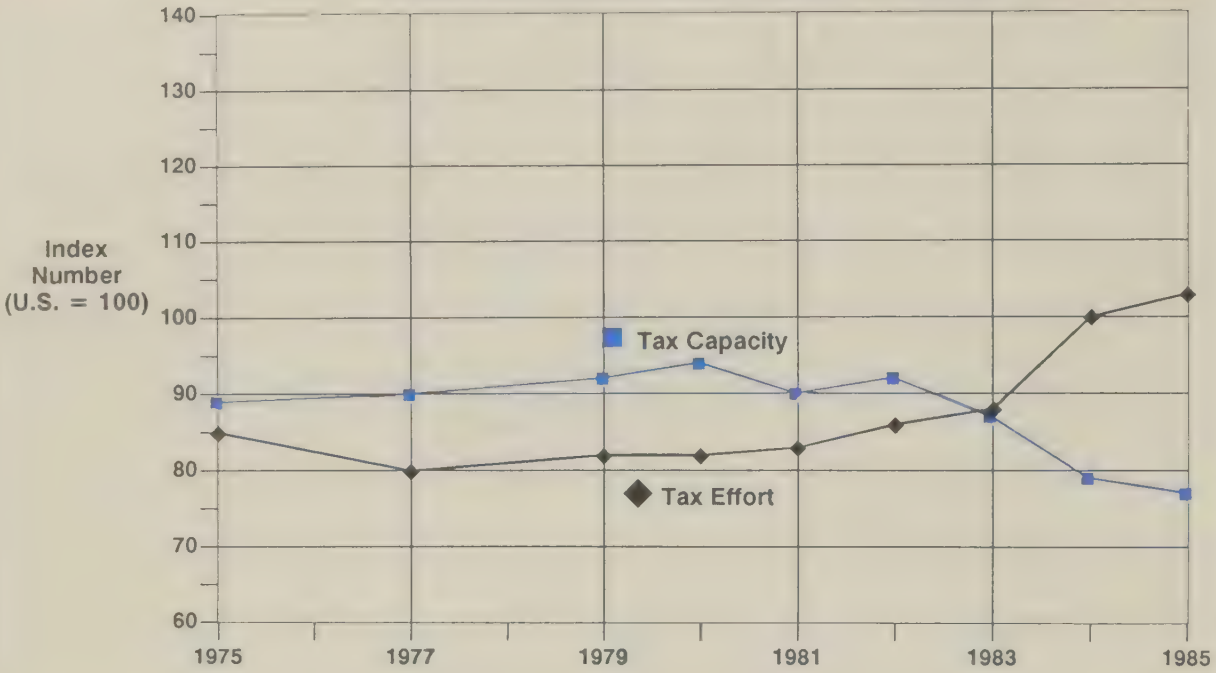


West Virginia

1985 RTS Tax Capacity = 77

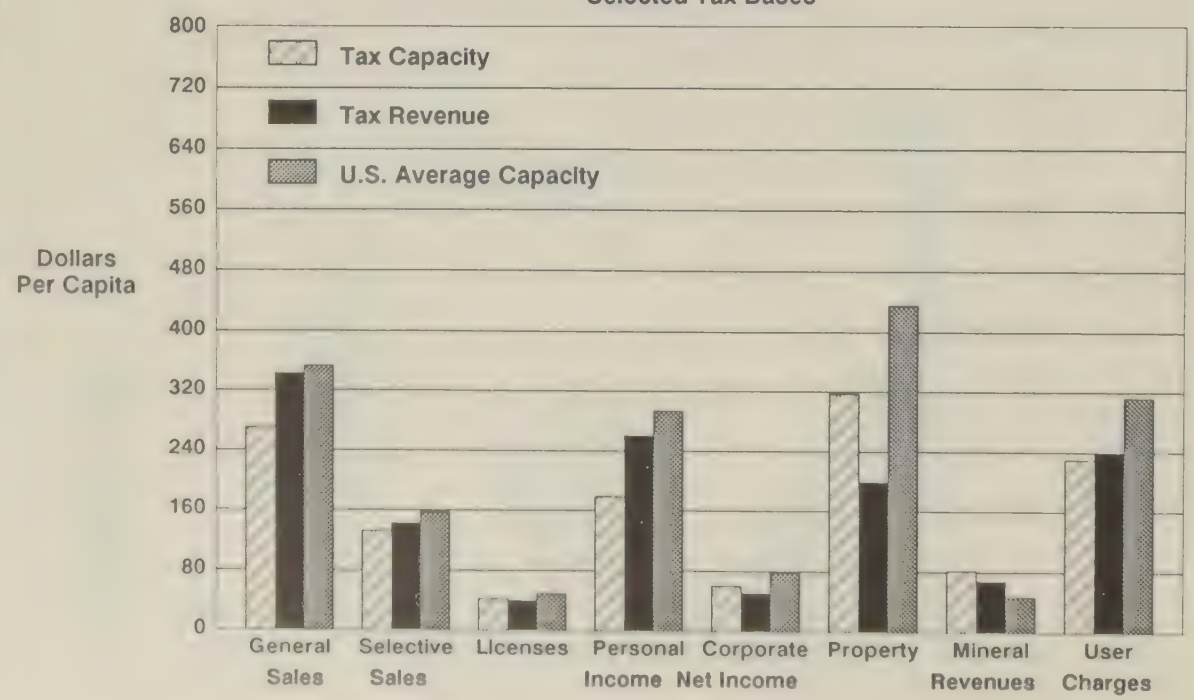
1985 RTS Tax Effort = 103

Total Tax Capacity and Effort, 1975-85



1985 Tax Capacity and Tax Revenue

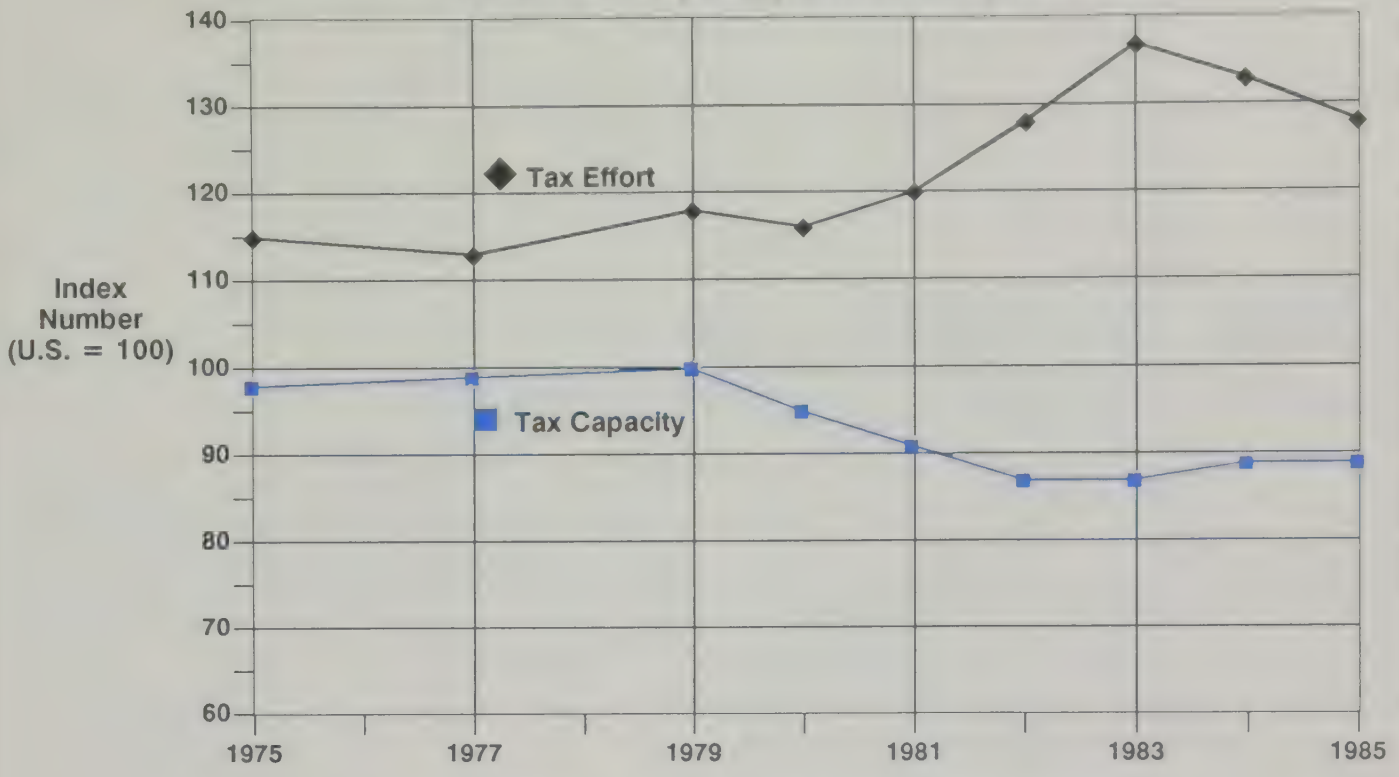
Selected Tax Bases



Wisconsin

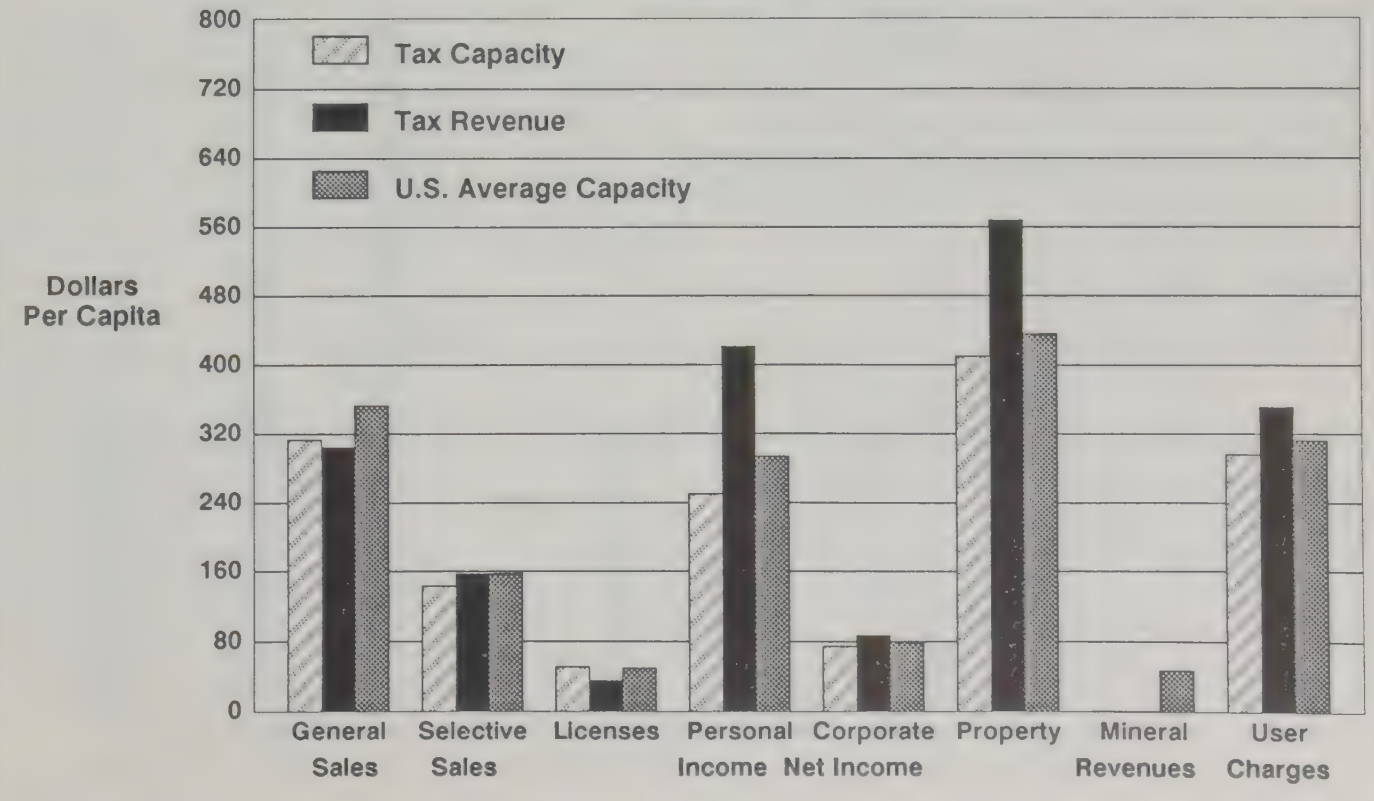
1985 RTS Tax Capacity = 89 **1985 RTS Tax Effort = 128**

Total Tax Capacity and Effort, 1975-85



1985 Tax Capacity and Tax Revenue

Selected Tax Bases

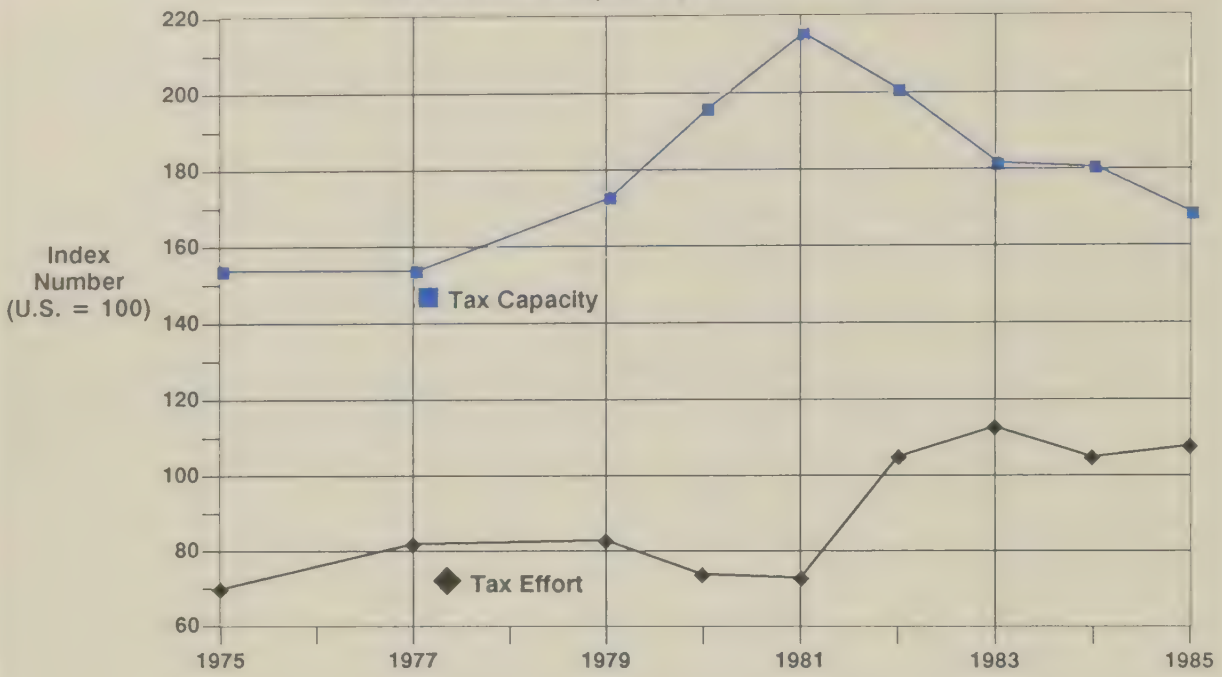


Wyoming

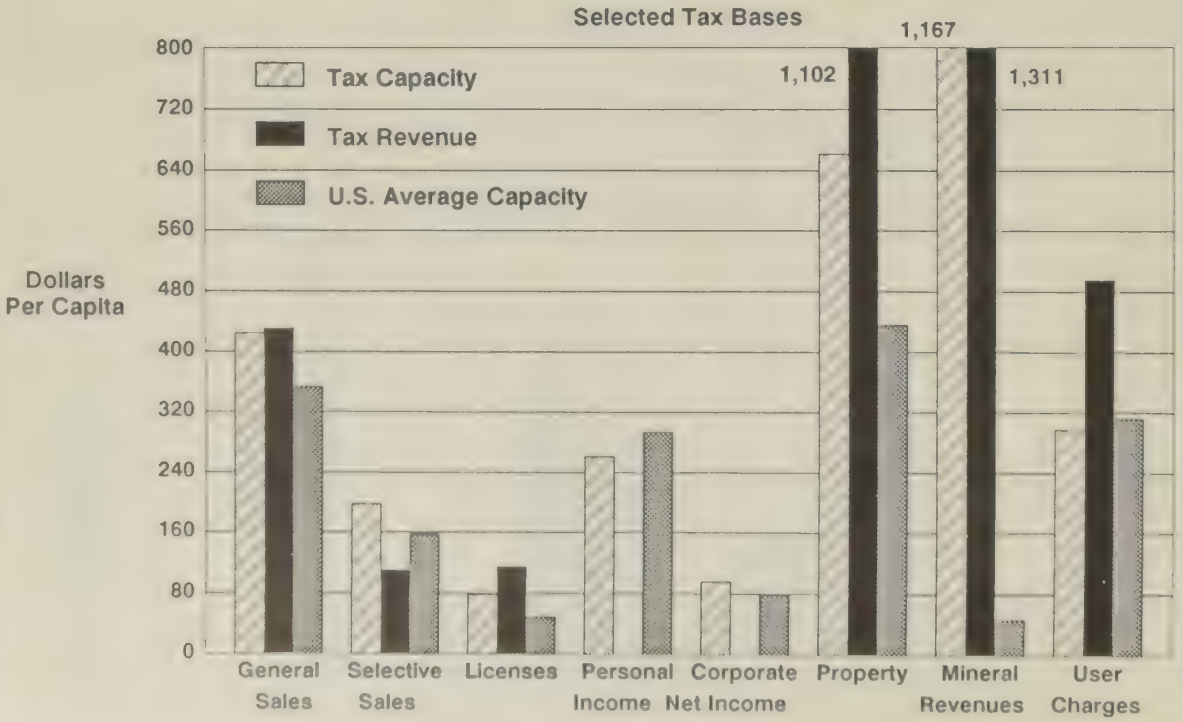
1985 RTS Tax Capacity = 169

1985 RTS Tax Effort = 108

Total Tax Capacity and Effort, 1975-85



1985 Tax Capacity and Tax Revenue



Section 3

Fiscal Capacity Tables: Revenue Base by Revenue Base

In this section, the 1985 Representative Tax System (RTS) and Representative Revenue System (RRS) tables are organized revenue base by revenue base. For each tax or nontax revenue base, states are compared in terms of:

tax base,
capacity per capita,
tax capacity index,
tax capacity,
tax revenue,
revenue per capita, and
tax effort index,

The *tax base* (revenue base) is an estimate of the resources available for taxation under a particular tax. A standard definition of tax or other revenue bases was used across all states.

Capacity per capita is the population divided into the revenue that could be collected (i.e., capacity) from the tax base when the representative (i.e., average) tax rate is applied.

The *tax capacity index* compares each state's capacity per capita to the average for all states. An index of 100 is the average.

Tax capacity is the yield for each state when the representative tax rate is applied to the standardized measure of tax base.

Tax revenue is the amount each state actually collected for that type of tax.

Revenue per capita is tax revenue divided by population. The tax effort index is constructed first by dividing actual revenues by tax capacity in each state, and then multiplying by 100. An index above 100 means that the state, compared to all others, is above average in the extent to which it exploits the particular tax base.

These tables show, among other things, which states have the most (or least) capacity to use any particular tax. For example, those states with oil and gas production and those without are evident. One can also see, for example, which states have the most per capita income tax or sales tax capacity. The rankings particularly facilitate interstate comparisons.

The tax effort data show which states lean the most on any particular tax. Common practice is to compare statutory state tax rates (sales tax rates, for example), rather than effective rates. However, such comparisons may mislead because states have chosen different legal definitions of tax base—sometimes creating a broad base that allows for low statutory rates, but sometimes allowing many exemptions that necessitate the use of a higher rate. Because the tax effort data reported here are based on standardized definitions of tax base, no such distortion exists. The RTS/RRS representative rate listed for individual tax bases is nationwide tax revenue divided by standard tax base.

Tables 3-1 and *3-2* summarize RTS and RRS, respectively. Next, *Tables 3-3* through *3-32* provide information (including subtotal tables) for each of the 26 RTS tax bases. *Tables 3-33* through *3-36* detail the four nontax RRS revenue bases that, added to the 26 RTS bases, constitute the Representative Revenue System.

Table 3-1

The Representative Tax System—1985

State	Tax Base*	Capacity Per Capita	Tax Capacity Index/Rank	Tax Capacity	Tax Revenue	Revenue Per Capita	Tax Effort Index/Rank
Alabama		$1,056.85	75.1 / 49	$4,250	$3,713	$923.52	87.4 / 38
Alaska		3,648.29	259.1 / 1	1,901	2,440	4,682.65	128.4 / 3
Arizona		1,392.75	98.9 / 21	4,439	4,281	1,343.32	96.5 / 23
Arkansas		1,038.81	73.8 / 50	2,451	2,238	948.66	91.3 / 35
California		1,691.83	120.2 / 7	44,605	41,706	1,581.89	93.5 / 28
Colorado		1,662.90	118.1 / 8	5,373	4,544	1,406.38	84.6 / 43
Connecticut		1,782.92	126.6 / 4	5,659	5,598	1,763.61	98.9 / 21
Delaware		1,733.07	123.1 / 5	1,078	858	1,379.24	79.6 / 47
Washington, DC		1,725.23	122.5 / 6	1,080	1,487	2,375.95	137.7 / 2
Florida		1,452.46	103.2 / 16	16,509	12,535	1,102.88	75.9 / 49
Georgia		1,271.68	90.3 / 34	7,600	6,835	1,143.73	89.9 / 37
Hawaii		1,653.35	117.4 / 9	1,743	1,724	1,635.39	98.9 / 22
Idaho		1,099.75	78.1 / 46	1,105	998	992.78	90.3 / 36
Illinois		1,355.91	96.3 / 27	15,640	16,640	1,442.56	106.4 / 12
Indiana		1,224.26	86.9 / 39	6,732	6,434	1,170.10	95.6 / 25
Iowa		1,185.84	84.2 / 41	3,420	3,825	1,326.20	111.8 / 8
Kansas		1,388.57	98.6 / 23	3,402	3,264	1,332.37	96.0 / 24
Kentucky		1,101.28	78.2 / 45	4,103	3,552	953.34	86.6 / 40
Louisiana		1,361.67	96.7 / 26	6,102	5,650	1,260.82	92.6 / 33
Maine		1,256.31	89.2 / 36	1,462	1,521	1,306.47	104.0 / 15
Maryland		1,470.72	104.5 / 15	6,459	6,516	1,483.50	100.9 / 20
Massachusetts		1,587.38	112.7 / 11	9,242	9,821	1,686.96	106.3 / 13
Michigan		1,325.45	94.1 / 29	12,046	14,504	1,595.91	120.4 / 5
Minnesota		1,426.60	101.3 / 18	5,982	7,113	1,696.50	118.9 / 6
Mississippi		972.43	69.1 / 51	2,541	2,362	904.08	93.0 / 29
Missouri		1,273.89	90.5 / 32	6,406	5,372	1,068.16	83.9 / 45
Montana		1,272.56	90.4 / 33	1,051	1,120	1,356.29	106.6 / 11
Nebraska		1,317.64	93.6 / 30	2,116	1,966	1,224.14	92.9 / 30
Nevada		2,054.18	145.9 / 3	1,923	1,226	1,309.95	63.8 / 51
New Hampshire		1,577.73	112.0 / 12	1,575	1,018	1,020.42	64.7 / 50
New Jersey		1,646.30	116.9 / 10	12,449	13,024	1,722.24	104.6 / 14
New Mexico		1,392.14	98.9 / 22	2,019	1,739	1,199.46	86.2 / 42
New York		1,420.01	100.8 / 20	25,252	39,372	2,214.02	155.9 / 1
North Carolina		1,212.80	86.1 / 40	7,586	7,036	1,124.87	92.7 / 32
North Dakota		1,429.48	101.5 / 17	979	901	1,314.77	92.0 / 34
Ohio		1,277.34	90.7 / 31	13,724	14,075	1,310.02	102.6 / 17
Oklahoma		1,478.27	105.0 / 14	4,880	4,119	1,247.88	84.4 / 44
Oregon		1,331.73	94.6 / 28	3,578	3,629	1,350.47	101.4 / 19
Pennsylvania		1,258.02	89.3 / 35	14,911	15,276	1,288.79	102.4 / 18
Rhode Island		1,236.31	87.8 / 38	1,197	1,413	1,459.26	118.0 / 7
South Carolina		1,081.68	76.8 / 48	3,620	3,445	1,029.19	95.1 / 26
South Dakota		1,156.96	82.2 / 43	819	711	1,004.38	86.8 / 39
Tennessee		1,172.71	83.3 / 42	5,584	4,573	960.22	81.9 / 46
Texas		1,562.83	111.0 / 13	25,583	19,479	1,189.91	76.1 / 48
Utah		1,136.45	80.7 / 44	1,869	2,036	1,237.61	108.9 / 9
Vermont		1,368.08	97.2 / 25	732	679	1,270.08	92.8 / 31
Virginia		1,376.19	97.7 / 24	7,853	6,791	1,190.10	86.5 / 41
Washington		1,420.82	100.9 / 19	6,264	5,946	1,348.62	94.9 / 27
West Virginia		1,085.74	77.1 / 47	2,102	2,156	1,113.57	102.6 / 16
Wisconsin		1,246.40	88.5 / 37	5,952	7,591	1,589.69	127.5 / 4
Wyoming		2,380.33	169.1 / 2	1,212	1,308	2,569.71	108.0 / 10
U.S. Total		$1,408.06	100.0	$336,159	$336,159	$1,408.06	100.0

NOTE: All per capita amounts are in dollars; total amounts are in millions of dollars.
*No combined tax base can be reported; see tables for particular taxes.
Source: ACIR staff estimates.

Table 3-2

The Representative Revenue System—1985

State	Tax Base*	Capacity Per Capita	Tax Capacity Index/Rank	Tax Capacity	Tax Revenue	Revenue Per Capita	Tax Effort Index/Rank
Alabama		$1,347.19	75.1 / 49	$5,417	$5,570	$1,385.14	102.8 / 16
Alaska		6,866.30	382.9 / 1	3,577	4,320	8,291.80	120.8 / 5
Arizona		1,734.87	96.7 / 26	5,529	5,241	1,644.53	94.8 / 34
Arkansas		1,318.45	73.5 / 50	3,110	2,841	1,204.50	91.4 / 40
California		2,141.16	119.4 / 6	56,452	53,094	2,013.80	94.1 / 35
Colorado		2,072.18	115.5 / 9	6,695	5,916	1,830.96	88.4 / 46
Connecticut		2,264.93	126.3 / 4	7,189	6,424	2,023.80	89.4 / 43
Delaware		2,113.36	117.8 / 7	1,315	1,265	2,033.48	96.2 / 31
Washington, DC		2,209.14	123.2 / 5	1,383	1,722	2,750.46	124.5 / 2
Florida		1,818.67	101.4 / 17	20,671	17,509	1,540.44	84.7 / 47
Georgia		1,605.96	89.6 / 35	9,597	9,591	1,604.88	99.9 / 19
Hawaii		2,021.43	112.7 / 11	2,131	2,079	1,972.13	97.6 / 28
Idaho		1,399.78	78.1 / 45	1,407	1,319	1,312.69	93.8 / 36
Illinois		1,748.66	97.5 / 25	20,171	19,549	1,694.72	96.9 / 30
Indiana		1,556.00	86.8 / 39	8,556	8,363	1,520.84	97.7 / 26
Iowa		1,521.44	84.8 / 41	4,388	4,917	1,704.87	112.1 / 7
Kansas		1,756.69	98.0 / 24	4,304	4,121	1,681.97	95.7 / 33
Kentucky		1,389.72	77.5 / 46	5,178	4,658	1,250.21	90.0 / 42
Louisiana		1,758.25	98.0 / 23	7,879	7,750	1,729.45	98.4 / 25
Maine		1,573.06	87.7 / 38	1,831	1,788	1,535.73	97.6 / 27
Maryland		1,893.52	105.6 / 15	8,316	8,263	1,881.27	99.4 / 21
Massachusetts		2,023.88	112.9 / 10	11,783	11,479	1,971.72	97.4 / 29
Michigan		1,689.67	94.2 / 28	15,356	18,027	1,983.58	117.4 / 6
Minnesota		1,802.70	100.5 / 20	7,559	9,207	2,195.89	121.8 / 4
Mississippi		1,218.29	67.9 / 51	3,183	3,383	1,294.62	106.3 / 12
Missouri		1,626.84	90.7 / 32	8,181	6,815	1,355.20	83.3 / 48
Montana		1,600.69	89.3 / 36	1,322	1,390	1,682.45	105.1 / 15
Nebraska		1,672.51	93.3 / 29	2,686	2,657	1,654.69	98.9 / 22
Nevada		2,450.84	136.7 / 3	2,294	1,785	1,906.59	77.8 / 50
New Hampshire		1,976.43	110.2 / 12	1,972	1,310	1,312.88	66.4 / 51
New Jersey		2,104.98	117.4 / 8	15,918	15,273	2,019.65	95.9 / 32
New Mexico		1,928.73	107.5 / 14	2,797	2,562	1,766.94	91.6 / 39
New York		1,847.74	103.0 / 16	32,858	47,349	2,662.62	144.1 / 1
North Carolina		1,522.42	84.9 / 40	9,523	8,746	1,398.31	91.8 / 38
North Dakota		1,811.78	101.0 / 19	1,241	1,320	1,926.55	106.3 / 11
Ohio		1,629.83	90.9 / 31	17,511	17,550	1,633.48	100.2 / 18
Oklahoma		1,813.71	101.1 / 18	5,987	5,422	1,642.40	90.6 / 41
Oregon		1,668.81	93.1 / 30	4,484	4,748	1,767.12	105.9 / 14
Pennsylvania		1,616.14	90.1 / 33	19,156	18,905	1,594.97	98.7 / 23
Rhode Island		1,607.01	89.6 / 34	1,556	1,673	1,728.51	107.6 / 10
South Carolina		1,363.81	76.0 / 47	4,565	4,666	1,394.10	102.2 / 17
South Dakota		1,458.13	81.3 / 43	1,032	922	1,302.18	89.3 / 44
Tennessee		1,472.34	82.1 / 42	7,011	6,212	1,304.39	88.6 / 45
Texas		1,949.19	108.7 / 13	31,908	25,820	1,577.27	80.9 / 49
Utah		1,451.14	80.9 / 44	2,387	2,614	1,588.80	109.5 / 9
Vermont		1,690.96	94.3 / 27	905	891	1,665.51	98.5 / 24
Virginia		1,763.74	98.3 / 22	10,064	9,248	1,620.76	91.9 / 37
Washington		1,790.79	99.9 / 21	7,896	7,879	1,786.96	99.8 / 20
West Virginia		1,357.43	75.7 / 48	2,628	2,791	1,441.62	106.2 / 13
Wisconsin		1,597.27	89.1 / 37	7,627	9,371	1,962.51	122.9 / 3
Wyoming		3,250.22	181.2 / 2	1,654	1,829	3,592.74	110.5 / 8
U.S. Total		$1,793.34	100.0	$428,140	$428,140	$1,793.34	100.0

NOTE: All per capita amounts are in dollars; total amounts are in millions of dollars.
*No combined tax base can be reported; see tables for particular revenue sources.
Source: ACIR staff estimates.

Table 3-3

General Sales and Gross Receipts Taxes—1985

State	Tax Base*	Capacity Per Capita	Tax Capacity Index/Rank	Tax Capacity	Tax Revenue	Revenue Per Capita	Tax Effort Index/Rank
Alabama	$14,177	$249.86	70.9 / 50	$1,005	$1,188	$295.57	118.3 / 14
Alaska	3,640	495.09	140.4 / 2	258	52	99.16	20.0 / 47
Arizona	15,092	335.58	95.2 / 27	1,069	1,628	510.97	152.3 / 3
Arkansas	9,031	271.31	77.0 / 47	640	762	322.97	119.0 / 13
California	151,314	406.72	115.4 / 10	10,723	12,151	460.86	113.3 / 16
Colorado	18,551	406.89	115.4 / 9	1,315	1,397	432.30	106.2 / 18
Connecticut	18,115	404.45	114.7 / 11	1,284	1,539	484.73	119.8 / 12
Delaware	3,521	401.11	113.8 / 12	249	0	0.00	0.0 / Z
Washington, DC	3,440	389.38	110.5 / 15	244	332	529.93	136.1 / 9
Florida	65,630	409.20	116.1 / 8	4,651	4,672	411.09	100.5 / 22
Georgia	28,769	341.15	96.8 / 22	2,039	1,991	333.18	97.7 / 24
Hawaii	6,707	450.93	127.9 / 3	475	684	648.61	143.8 / 7
Idaho	3,772	266.01	75.5 / 49	267	239	237.36	89.2 / 28
Illinois	54,035	331.97	94.2 / 32	3,829	4,219	365.76	110.2 / 17
Indiana	25,920	334.04	94.8 / 29	1,837	2,113	384.24	115.0 / 15
Iowa	12,171	299.07	84.8 / 43	863	758	262.75	87.9 / 29
Kansas	11,504	332.76	94.4 / 31	815	668	272.67	81.9 / 35
Kentucky	14,376	273.42	77.6 / 46	1,019	820	220.20	80.5 / 38
Louisiana	18,958	299.82	85.0 / 42	1,343	2,203	491.65	164.0 / 2
Maine	5,710	347.61	98.6 / 21	405	354	304.10	87.5 / 31
Maryland	24,053	388.10	110.1 / 16	1,705	1,098	250.10	64.4 / 42
Massachusetts	35,398	430.87	122.2 / 5	2,509	1,438	246.99	57.3 / 44
Michigan	43,111	336.18	95.4 / 26	3,055	2,542	279.72	83.2 / 33
Minnesota	23,161	391.45	111.0 / 14	1,641	1,358	323.93	82.8 / 34
Mississippi	8,993	243.89	69.2 / 51	637	932	356.86	146.3 / 6
Missouri	25,791	363.44	103.1 / 18	1,828	1,864	370.65	102.0 / 20
Montana	3,750	321.77	91.3 / 38	266	0	0.00	0.0 / Z
Nebraska	7,595	335.13	95.1 / 28	538	397	247.35	73.8 / 40
Nevada	11,843	896.69	254.4 / 1	839	463	494.92	55.2 / 45
New Hampshire	6,296	447.08	126.8 / 4	446	0	0.00	0.0 / Z
New Jersey	42,604	399.26	113.3 / 13	3,019	2,261	298.97	74.9 / 39
New Mexico	6,669	325.92	92.5 / 35	473	719	495.93	152.2 / 4
New York	84,925	338.43	96.0 / 25	6,018	7,963	447.81	132.3 / 10
North Carolina	27,850	315.53	89.5 / 40	1,974	1,599	255.59	81.0 / 36
North Dakota	3,730	385.92	109.5 / 17	264	187	273.66	70.9 / 41
Ohio	49,696	327.79	93.0 / 34	3,522	3,165	294.61	89.9 / 27
Oklahoma	15,833	339.91	96.4 / 23	1,122	1,083	328.03	96.5 / 26
Oregon	12,867	339.36	96.3 / 24	912	0	0.00	0.0 / Z
Pennsylvania	52,827	315.84	89.6 / 39	3,744	3,019	254.73	80.7 / 37
Rhode Island	4,554	333.42	94.6 / 30	323	274	283.30	85.0 / 32
South Carolina	13,939	295.14	83.7 / 44	988	1,011	302.00	102.3 / 19
South Dakota	3,241	324.44	92.0 / 36	230	229	323.10	99.6 / 23
Tennessee	22,135	329.41	93.4 / 33	1,569	2,249	472.38	143.4 / 8
Texas	83,156	359.99	102.1 / 19	5,893	5,157	315.03	87.5 / 30
Utah	6,409	276.09	78.3 / 45	454	676	411.22	148.9 / 5
Vermont	3,105	411.30	116.7 / 7	220	88	164.39	40.0 / 46
Virginia	28,067	348.58	98.9 / 20	1,989	1,246	218.39	62.7 / 43
Washington	20,062	322.47	91.5 / 37	1,422	3,034	688.11	213.4 / 1
West Virginia	7,373	269.87	76.6 / 48	522	663	342.52	126.9 / 11
Wisconsin	21,073	312.74	88.7 / 41	1,493	1,454	304.40	97.3 / 25
Wyoming	3,044	423.87	120.2 / 6	216	219	430.36	101.5 / 21
U.S. Total	$1,187,582	$352.52	100.0	$84,160	$84,160	$352.52	100.0

NOTE: All per capita amounts are in dollars; total amounts are in millions of dollars.
Representative Rate = 7.1%.
*Tax base is retail sales in millions of dollars.
Z = Zero revenue reported.
Source: ACIR staff estimates.

Table 3-4

Total Selective Sales Taxes—1985

State	Tax Base*	Capacity Per Capita	Tax Capacity Index/Rank	Tax Capacity	Tax Revenue	Revenue Per Capita	Tax Effort Index/Rank
Alabama		$154.60	98.6 / 29	$622	$829	$206.17	133.4 / 6
Alaska		172.88	110.3 / 5	90	74	142.83	82.6 / 40
Arizona		156.73	100.0 / 23	499	489	153.48	97.9 / 25
Arkansas		151.49	96.6 / 37	357	344	145.92	96.3 / 27
California		165.24	105.4 / 11	4,357	3,234	122.67	74.2 / 45
Colorado		152.67	97.4 / 33	493	368	113.86	74.6 / 44
Connecticut		168.25	107.3 / 8	534	788	248.39	147.6 / 3
Delaware		193.69	123.6 / 3	120	100	160.12	82.7 / 39
Washington, DC		161.54	103.1 / 15	101	118	188.04	116.4 / 10
Florida		165.92	105.9 / 10	1,886	2,496	219.57	132.3 / 7
Georgia		163.46	104.3 / 12	977	828	138.50	84.7 / 37
Hawaii		118.27	75.5 / 51	125	211	199.87	169.0 / 2
Idaho		139.06	88.7 / 48	140	128	126.90	91.3 / 32
Illinois		156.46	99.8 / 24	1,805	2,224	192.79	123.2 / 8
Indiana		159.36	101.7 / 18	876	520	94.56	59.3 / 50
Iowa		151.51	96.7 / 36	437	323	112.14	74.0 / 47
Kansas		162.80	103.9 / 13	399	369	150.80	92.6 / 30
Kentucky		158.85	101.3 / 19	592	439	117.90	74.2 / 46
Louisiana		166.94	106.5 / 9	748	781	174.37	104.5 / 21
Maine		150.11	95.8 / 38	175	197	169.09	112.6 / 11
Maryland		149.99	95.7 / 40	659	644	146.63	97.8 / 26
Massachusetts		155.90	99.5 / 26	908	753	129.31	82.9 / 38
Michigan		160.14	102.2 / 16	1,455	1,041	114.59	71.6 / 49
Minnesota		147.81	94.3 / 42	620	652	155.38	105.1 / 20
Mississippi		142.86	91.1 / 44	373	285	109.20	76.4 / 43
Missouri		153.19	97.7 / 31	770	671	133.35	87.0 / 35
Montana		154.96	98.9 / 28	128	138	167.65	108.2 / 16
Nebraska		158.81	101.3 / 20	255	234	145.58	91.7 / 31
Nevada		222.62	142.0 / 1	208	418	446.26	200.5 / 1
New Hampshire		184.87	117.9 / 4	185	146	145.84	78.9 / 42
New Jersey		169.00	107.8 / 7	1,278	1,830	242.01	143.2 / 5
New Mexico		156.75	100.0 / 22	227	198	136.85	87.3 / 34
New York		148.91	95.0 / 41	2,648	2,852	160.35	107.7 / 18
North Carolina		154.36	98.5 / 30	966	986	157.62	102.1 / 22
North Dakota		158.80	101.3 / 21	109	102	149.11	93.9 / 29
Ohio		150.02	95.7 / 39	1,612	1,748	162.73	108.5 / 15
Oklahoma		162.63	103.8 / 14	537	472	143.11	88.0 / 33
Oregon		151.74	96.8 / 35	408	298	110.99	73.1 / 48
Pennsylvania		140.80	89.8 / 46	1,669	1,784	150.52	106.9 / 19
Rhode Island		151.95	96.9 / 34	147	176	182.07	119.8 / 9
South Carolina		153.17	97.7 / 32	513	482	144.14	94.1 / 28
South Dakota		155.95	99.5 / 25	110	94	132.73	85.1 / 36
Tennessee		159.39	101.7 / 17	759	627	131.56	82.5 / 41
Texas		170.20	108.6 / 6	2,786	2,753	168.16	98.8 / 24
Utah		123.78	79.0 / 50	204	205	124.50	100.6 / 23
Vermont		154.98	98.9 / 27	83	92	172.37	111.2 / 12
Virginia		142.57	91.0 / 45	813	902	158.06	110.9 / 13
Washington		140.61	89.7 / 47	620	897	203.35	144.6 / 4
West Virginia		131.78	84.1 / 49	255	276	142.53	108.2 / 17
Wisconsin		143.11	91.3 / 43	683	749	156.84	109.6 / 14
Wyoming		197.55	126.0 / 2	101	56	110.03	55.7 / 51
U.S. Total		$156.75	100.0	$37,421	$37,421	$156.74	100.0

NOTE: All per capita amounts are in dollars; total amounts are in millions of dollars.
*No combined tax base can be reported; see tables for particular selective sales taxes.
Source: ACIR staff estimates.

Table 3-5

Selective Sales: Parimutuel Taxes—1985

State	Tax Base*	Capacity Per Capita	Tax Capacity Index/Rank	Tax Capacity	Tax Revenue	Revenue Per Capita	Tax Effort Index/Rank
Alabama	$336	$3.81	128.1 / 17	$15	$0	$0.00	0.0 / Z
Alaska	0	0.00	0.0 / B	0	0	0.00	0.0 / Z
Arizona	231	3.30	110.9 / 19	11	11	3.59	108.8 / 15
Arkansas	297	5.74	192.9 / 10	14	21	8.75	152.5 / 4
California	2,223	3.84	129.1 / 16	101	123	4.66	121.2 / 12
Colorado	210	2.97	99.7 / 20	10	8	2.51	84.5 / 19
Connecticut	537	7.71	259.1 / 4	24	64	20.18	261.7 / 2
Delaware	108	7.89	265.2 / 3	5	0	0.45	5.7 / 32
Washington, DC	0	0.00	0.0 / B	0	0	0.00	0.0 / Z
Florida	1,848	7.41	249.0 / 5	84	120	10.52	142.0 / 7
Georgia	0	0.00	0.0 / B	0	0	0.00	0.0 / Z
Hawaii	0	0.00	0.0 / B	0	0	0.00	0.0 / Z
Idaho	9	0.41	13.9 / 34	0	0	0.41	99.2 / 16
Illinois	923	3.65	122.6 / 18	42	60	5.20	142.6 / 6
Indiana	0	0.00	0.0 / B	0	0	0.00	0.0 / Z
Iowa	44	0.69	23.2 / 30	2	0	0.00	0.0 / Z
Kansas	0	0.00	0.0 / B	0	0	0.00	0.0 / Z
Kentucky	322	3.94	132.3 / 15	15	11	3.06	77.9 / 21
Louisiana	563	5.73	192.5 / 11	26	25	5.62	98.1 / 17
Maine	36	1.41	47.3 / 27	2	1	1.01	72.0 / 23
Maryland	469	4.86	163.5 / 12	21	14	3.28	67.3 / 25
Massachusetts	565	4.42	148.7 / 14	26	36	6.19	139.9 / 8
Michigan	376	1.89	63.4 / 23	17	23	2.51	133.0 / 9
Minnesota	84	0.92	30.8 / 28	4	0	0.00	0.0 / Z
Mississippi	0	0.00	0.0 / B	0	0	0.00	0.0 / Z
Missouri	0	0.00	0.0 / B	0	0	0.00	0.0 / Z
Montana	12	0.64	21.5 / 32	1	0	0.19	30.2 / 29
Nebraska	215	6.09	204.6 / 9	10	13	7.82	128.4 / 10
Nevada	0	0.00	0.1 / 35	0	0	0.01	395.0 / 1
New Hampshire	187	8.52	286.3 / 1	9	10	10.35	121.5 / 11
New Jersey	1,013	6.10	205.1 / 8	46	7	0.92	15.0 / 30
New Mexico	144	4.53	152.3 / 13	7	3	1.75	38.5 / 28
New York	3,171	8.13	273.1 / 2	145	101	5.66	69.7 / 24
North Carolina	0	0.00	0.0 / B	0	0	0.00	0.0 / Z
North Dakota	0	0.00	0.0 / B	0	0	0.00	0.0 / Z
Ohio	408	1.73	58.2 / 24	19	12	1.08	62.6 / 27
Oklahoma	42	0.58	19.4 / 33	2	2	0.64	110.0 / 14
Oregon	95	1.61	54.2 / 26	4	5	1.91	118.3 / 13
Pennsylvania	422	1.62	54.6 / 25	19	13	1.09	67.2 / 26
Rhode Island	155	7.31	245.5 / 6	7	6	6.32	86.5 / 18
South Carolina	0	0.00	0.0 / B	0	0	0.00	0.0 / Z
South Dakota	31	1.96	66.0 / 22	1	2	3.09	157.4 / 3
Tennessee	0	0.00	0.0 / B	0	0	0.00	0.0 / Z
Texas	0	0.00	0.0 / B	0	0	0.00	0.0 / Z
Utah	0	0.00	0.0 / B	0	0	0.00	0.0 / Z
Vermont	10	0.89	29.9 / 29	0	1	1.28	143.6 / 5
Virginia	0	0.00	0.0 / B	0	0	0.00	0.0 / Z
Washington	200	2.07	69.6 / 21	9	7	1.60	77.2 / 22
West Virginia	295	6.94	233.3 / 7	13	11	5.66	81.6 / 20
Wisconsin	0	0.00	0.0 / B	0	0	0.00	0.0 / Z
Wyoming	7	0.66	22.1 / 31	0	0	0.09	14.0 / 31
U.S. Total	$15,588	$2.98	100.0	$710	$710	$2.98	100.0

NOTE: All per capita amounts are in dollars; total amounts are in millions of dollars.
Representative Rate = 4.6%.
*Tax base is parimutuel handle in millions of dollars.
B = Base is zero. Z = Zero revenue reported.
Source: ACIR staff estimates.

Table 3-6

Selective Sales Taxes: Motor Fuels—1985

State	Tax Base*	Capacity Per Capita	Tax Capacity Index/Rank	Tax Capacity	Tax Revenue	Revenue Per Capita	Tax Effort Index/Rank
Alabama	2,197	$60.79	106.4 / 25	$244	$282	$70.17	115.4 / 20
Alaska	327	69.87	122.3 / 8	36	36	68.79	98.5 / 32
Arizona	1,808	63.12	110.5 / 18	201	224	70.41	111.6 / 21
Arkansas	1,424	67.17	117.6 / 12	158	152	64.25	95.7 / 36
California	12,679	53.51	93.7 / 39	1,411	1,158	43.92	82.1 / 45
Colorado	1,715	59.07	103.4 / 30	191	187	57.78	97.8 / 34
Connecticut	1,494	52.38	91.7 / 43	166	205	64.58	123.3 / 13
Delaware	371	66.46	116.3 / 15	41	40	63.74	95.9 / 35
Washington, DC	179	31.82	55.7 / 51	20	25	40.34	126.8 / 11
Florida	5,862	57.40	100.5 / 33	652	725	63.77	111.1 / 22
Georgia	3,770	70.21	122.9 / 7	420	386	64.55	91.9 / 39
Hawaii	344	36.31	63.6 / 50	38	58	55.41	152.6 / 2
Idaho	538	59.55	104.2 / 28	60	79	78.66	132.1 / 9
Illinois	5,311	51.24	89.7 / 44	591	656	56.89	111.0 / 23
Indiana	3,167	64.08	112.2 / 17	352	335	60.96	95.1 / 37
Iowa	1,621	62.53	109.5 / 20	180	182	63.25	101.2 / 30
Kansas	1,475	67.01	117.3 / 13	164	149	60.74	90.6 / 40
Kentucky	1,984	59.26	103.7 / 29	221	196	52.65	88.8 / 41
Louisiana	2,419	60.06	105.1 / 27	269	362	80.75	134.4 / 8
Maine	642	61.34	107.4 / 23	71	89	76.35	124.5 / 12
Maryland	2,209	55.97	98.0 / 35	246	297	67.63	120.8 / 16
Massachusetts	2,577	49.26	86.2 / 46	287	281	48.22	97.9 / 33
Michigan	4,368	53.49	93.6 / 40	486	620	68.26	127.6 / 10
Minnesota	2,209	58.61	102.6 / 31	246	350	83.46	142.4 / 5
Mississippi	1,447	61.62	107.9 / 22	161	137	52.35	85.0 / 44
Missouri	3,015	66.71	116.8 / 14	335	206	40.90	61.3 / 50
Montana	538	72.52	126.9 / 5	60	81	98.65	136.0 / 7
Nebraska	946	65.54	114.7 / 16	105	128	79.43	121.2 / 15
Nevada	583	69.26	121.2 / 9	65	92	98.11	141.7 / 6
New Hampshire	479	53.36	93.4 / 41	53	64	64.22	120.3 / 17
New Jersey	3,589	52.81	92.4 / 42	399	303	40.12	76.0 / 48
New Mexico	935	71.78	125.7 / 6	104	104	71.84	100.1 / 31
New York	6,346	39.71	69.5 / 49	706	410	23.06	58.1 / 51
North Carolina	3,468	61.69	108.0 / 21	386	408	65.16	105.6 / 25
North Dakota	464	75.40	132.0 / 3	52	54	78.43	104.0 / 26
Ohio	5,434	56.28	98.5 / 34	605	623	57.95	103.0 / 27
Oklahoma	2,156	72.69	127.2 / 4	240	191	57.79	79.5 / 46
Oregon	1,464	60.61	106.1 / 26	163	127	47.33	78.1 / 47
Pennsylvania	5,101	47.89	83.8 / 47	568	622	52.45	109.5 / 24
Rhode Island	401	46.08	80.7 / 48	45	46	47.38	102.8 / 28
South Carolina	1,886	62.71	109.8 / 19	210	247	73.80	117.7 / 19
South Dakota	488	76.66	134.2 / 2	54	55	78.02	101.8 / 29
Tennessee	2,961	69.20	121.1 / 11	330	288	60.58	87.5 / 42
Texas	10,187	69.24	121.2 / 10	1,134	987	60.29	87.1 / 43
Utah	822	55.59	97.3 / 36	91	112	68.28	122.8 / 14
Vermont	280	58.32	102.1 / 32	31	37	69.89	119.8 / 18
Virginia	3,131	61.07	106.9 / 24	348	328	57.45	94.1 / 38
Washington	2,127	53.67	94.0 / 38	237	349	79.15	147.5 / 3
West Virginia	867	49.85	87.3 / 45	97	159	82.08	164.7 / 1
Wisconsin	2,316	53.98	94.5 / 37	258	370	77.58	143.7 / 4
Wyoming	438	95.78	167.7 / 1	49	36	70.37	73.5 / 49
U.S. Total	122,560	$57.13	100.0	$13,638	13,638	$57.13	100.0

NOTE:All per capita amounts are in dollars; total amounts are in millions of dollars.
Representative Rate = $0.11 per gallon.
*Tax base is motor fuel sales in millions of gallons, excluding use by state and local governments.
Source: ACIR staff estimates.

Table 3-7

Selective Sales: Insurance Premiums—1985

State	Tax Base*	Capacity Per Capita	Tax Capacity Index/Rank	Tax Capacity	Tax Revenue	Revenue Per Capita	Tax Effort Index/Rank
Alabama	$4,229	$17.25	90.8 / 33	$69	$90	$22.39	129.9 / 15
Alaska	836	26.32	138.6 / 3	14	18	33.70	128.0 / 16
Arizona	3,636	18.70	98.5 / 22	60	55	17.39	93.0 / 32
Arkansas	1,832	12.73	67.0 / 51	30	40	17.03	133.8 / 14
California	34,085	21.20	111.6 / 10	559	655	24.83	117.1 / 22
Colorado	3,708	18.82	99.1 / 21	61	44	13.51	71.8 / 45
Connecticut	4,567	23.59	124.2 / 4	75	93	29.25	124.0 / 17
Delaware	1,078	28.42	149.7 / 1	18	17	27.94	98.3 / 29
Washington, DC	1,023	26.80	141.1 / 2	17	0	0.00	0.0 / 51
Florida	12,476	18.00	94.8 / 28	205	188	16.51	91.7 / 34
Georgia	6,147	16.87	88.8 / 36	101	91	15.28	90.6 / 36
Hawaii	1,447	22.51	118.6 / 8	24	29	27.91	124.0 / 19
Idaho	902	14.72	77.5 / 46	15	21	20.44	138.8 / 12
Illinois	13,487	19.17	100.9 / 20	221	116	10.06	52.5 / 50
Indiana	5,874	17.51	92.2 / 31	96	71	12.83	73.3 / 44
Iowa	3,427	19.48	102.6 / 16	56	56	19.29	99.0 / 28
Kansas	2,986	19.98	105.2 / 15	49	74	30.07	150.5 / 7
Kentucky	3,461	15.23	80.2 / 43	57	107	28.84	189.4 / 1
Louisiana	5,308	19.42	102.3 / 17	87	124	27.74	142.8 / 9
Maine	1,325	18.66	98.2 / 24	22	19	16.34	87.6 / 37
Maryland	5,417	20.22	106.5 / 12	89	82	18.73	92.6 / 33
Massachusetts	7,112	20.03	105.5 / 14	117	164	28.11	140.4 / 10
Michigan	12,574	22.69	119.5 / 7	206	117	12.87	56.7 / 49
Minnesota	4,947	19.35	101.9 / 19	81	77	18.25	94.3 / 30
Mississippi	2,253	14.14	74.4 / 48	37	54	20.70	146.4 / 8
Missouri	5,707	18.61	98.0 / 25	94	99	19.70	105.9 / 25
Montana	778	15.45	81.4 / 41	13	21	25.18	163.0 / 6
Nebraska	1,978	20.19	106.3 / 13	32	30	18.39	91.1 / 35
Nevada	992	17.38	91.5 / 32	16	28	30.36	174.7 / 3
New Hampshire	1,358	22.32	117.5 / 9	22	19	19.12	85.7 / 38
New Jersey	8,927	19.36	101.9 / 18	146	102	13.49	69.7 / 47
New Mexico	1,440	16.28	85.7 / 39	24	42	29.17	179.1 / 2
New York	24,900	22.96	120.9 / 5	408	293	16.47	71.8 / 46
North Carolina	5,706	14.96	78.8 / 45	94	115	18.39	123.0 / 20
North Dakota	764	18.29	96.3 / 26	13	13	18.45	100.9 / 27
Ohio	11,064	16.88	88.9 / 35	181	171	15.90	94.2 / 31
Oklahoma	3,575	17.76	93.5 / 29	59	98	29.59	166.6 / 5
Oregon	2,961	18.07	95.1 / 27	49	41	15.41	85.3 / 39
Pennsylvania	14,882	20.59	108.4 / 11	244	205	17.27	83.9 / 40
Rhode Island	1,350	22.87	120.4 / 6	22	17	17.88	78.2 / 43
South Carolina	3,140	15.38	81.0 / 42	51	42	12.68	82.4 / 42
South Dakota	711	16.47	86.7 / 38	12	16	22.99	139.6 / 11
Tennessee	4,939	17.00	89.5 / 34	81	91	19.11	112.4 / 23
Texas	18,629	18.66	98.3 / 23	305	379	23.13	124.0 / 18
Utah	1,364	13.60	71.6 / 49	22	27	16.14	118.7 / 21
Vermont	524	16.04	84.5 / 40	9	9	16.55	103.1 / 26
Virginia	4,953	14.23	74.9 / 47	81	109	19.04	133.8 / 13
Washington	4,523	16.82	88.6 / 37	74	61	13.93	82.8 / 41
West Virginia	1,584	13.41	70.6 / 50	26	44	22.77	169.8 / 4
Wisconsin	5,166	17.74	93.4 / 30	85	53	11.17	62.9 / 48
Wyoming	469	15.10	79.5 / 44	8	8	16.09	106.6 / 24
U.S. Total	$276,520	$18.99	100.0	$4,534	$4,534	$18.99	100.0

NOTE: All per capita amounts are in dollars; total amounts are in millions of dollars.
Representative Rate = 1.64%.
*Tax base is gross insurance premiums in millions of dollars.
Source: ACIR staff estimates.

Table 3-8

Selective Sales: Tobacco Products—1985

State	Tax Base*	Capacity Per Capita	Tax Capacity Index/Rank	Tax Capacity	Tax Revenue	Revenue Per Capita	Tax Effort Index/Rank
Alabama	462.8	$17.96	96.5 / 33	$72	$84	$20.95	116.6 / 15
Alaska	67.4	20.19	108.5 / 11	11	5	10.00	49.5 / 46
Arizona	332.8	16.30	87.6 / 43	52	50	15.54	95.3 / 30
Arkansas	299.1	19.79	106.3 / 18	47	63	26.57	134.3 / 9
California	2,654.0	15.71	84.4 / 47	414	261	9.89	62.9 / 45
Colorado	362.5	17.51	94.1 / 36	57	52	16.18	92.4 / 31
Connecticut	349.8	17.20	92.4 / 39	55	90	28.48	165.6 / 3
Delaware	88.9	22.31	119.9 / 6	14	12	19.70	88.3 / 33
Washington, DC	75.5	18.82	101.2 / 25	12	10	15.20	80.8 / 36
Florida	1,387.0	19.05	102.4 / 22	216	286	25.19	132.2 / 10
Georgia	758.7	19.82	106.5 / 17	118	88	14.74	74.4 / 40
Hawaii	73.4	10.87	58.4 / 50	11	20	18.71	172.1 / 1
Idaho	102.4	15.90	85.5 / 46	16	10	10.15	63.8 / 44
Illinois	1,404.7	19.01	102.1 / 23	219	238	20.65	108.7 / 20
Indiana	751.5	21.33	114.6 / 7	117	77	13.96	65.5 / 43
Iowa	321.9	17.42	93.6 / 37	50	59	20.48	117.5 / 14
Kansas	283.3	18.05	97.0 / 32	44	45	18.32	101.5 / 27
Kentucky	687.4	28.80	154.7 / 2	107	19	5.03	17.5 / 50
Louisiana	562.4	19.59	105.3 / 21	88	87	19.49	99.5 / 28
Maine	149.0	19.98	107.4 / 13	23	29	25.05	125.4 / 12
Maryland	534.0	18.98	102.0 / 24	83	67	15.24	80.3 / 37
Massachusetts	680.3	18.24	98.0 / 28	106	177	30.42	166.8 / 2
Michigan	1,161.9	19.96	107.2 / 14	181	126	13.89	69.6 / 42
Minnesota	472.5	17.59	94.5 / 35	74	85	20.27	115.3 / 17
Mississippi	302.9	18.09	97.2 / 31	47	37	14.01	77.4 / 38
Missouri	652.0	20.24	108.7 / 10	102	104	20.62	101.9 / 26
Montana	85.7	16.19	87.0 / 45	13	14	16.51	101.9 / 25
Nebraska	170.2	16.54	88.9 / 41	27	29	17.92	108.3 / 22
Nevada	135.0	22.51	121.0 / 4	21	20	21.62	96.0 / 29
New Hampshire	197.4	30.87	165.9 / 1	31	33	33.08	107.1 / 23
New Jersey	881.6	18.20	97.8 / 30	138	217	28.65	157.4 / 5
New Mexico	127.7	13.75	73.9 / 49	20	15	10.07	73.2 / 41
New York	2,075.9	18.22	97.9 / 29	324	495	27.81	152.7 / 6
North Carolina	971.3	24.24	130.2 / 3	152	17	2.66	11.0 / 51
North Dakota	71.4	16.27	87.4 / 44	11	12	18.09	111.2 / 18
Ohio	1,369.9	19.90	106.9 / 15	214	185	17.18	86.3 / 34
Oklahoma	416.0	19.67	105.7 / 19	65	75	22.73	115.6 / 16
Oregon	319.3	18.55	99.7 / 26	50	59	21.84	117.8 / 13
Pennsylvania	1,385.6	18.25	98.0 / 27	216	239	20.18	110.6 / 19
Rhode Island	128.4	20.70	111.3 / 9	20	29	30.03	145.0 / 8
South Carolina	420.3	19.60	105.3 / 20	66	30	8.92	45.5 / 48
South Dakota	74.4	16.40	88.1 / 42	12	10	14.78	90.1 / 32
Tennessee	612.3	20.07	107.8 / 12	96	82	17.16	85.5 / 35
Texas	1,873.3	17.86	96.0 / 34	292	374	22.85	127.9 / 11
Utah	111.8	10.61	57.0 / 51	17	13	8.01	75.5 / 39
Vermont	77.0	22.46	120.7 / 5	12	13	24.38	108.5 / 21
Virginia	766.0	20.95	112.6 / 8	120	36	6.32	30.2 / 49
Washington	423.5	14.99	80.6 / 48	66	97	22.06	147.1 / 7
West Virginia	215.2	17.35	93.2 / 38	34	35	18.12	104.5 / 24
Wisconsin	512.2	16.74	90.0 / 40	80	129	27.10	161.8 / 4
Wyoming	64.7	19.84	106.6 / 16	10	5	9.53	48.0 / 47
U.S. Total	28,464.2	$18.61	100.0	$4,443	$4,443	$18.61	100.0

NOTE:All per capita amounts are in dollars; total amounts are in millions of dollars.
Representative Rate = $0.156 per package.
*Tax base is cigarette sales in millions of packs.
Source: ACIR staff estimates.

Table 3-9

Selective Sales: Amusements—1985

State	Tax Base*	Capacity Per Capita	Tax Capacity Index/Rank	Tax Capacity	Tax Revenue	Revenue Per Capita	Tax Effort Index/Rank
Alabama	$205	$0.52	23.4 / 50	$2	$0	$0.02	3.1 / 33
Alaska	46	0.90	40.2 / 37	0	0	0.43	48.2 / 10
Arizona	406	1.31	58.5 / 21	4	0	0.13	10.3 / 26
Arkansas	182	0.80	35.5 / 47	2	0	0.15	19.3 / 19
California	14,252	5.56	248.0 / 2	147	1	0.02	0.4 / 38
Colorado	741	2.36	105.2 / 8	8	1	0.16	6.7 / 28
Connecticut	437	1.42	63.1 / 17	4	14	4.47	315.5 / 4
Delaware	83	1.38	61.3 / 18	1	0	0.09	6.2 / 29
Washington, DC	225	3.70	164.7 / 5	2	0	0.00	0.0 / Z
Florida	2,918	2.64	117.8 / 7	30	3	0.29	10.8 / 24
Georgia	595	1.02	45.7 / 32	6	0	0.00	0.0 / Z
Hawaii	180	1.75	78.2 / 11	2	0	0.00	0.0 / Z
Idaho	78	0.80	35.7 / 45	1	0	0.00	0.0 / Z
Illinois	2,248	2.01	89.4 / 9	23	9	0.80	39.9 / 12
Indiana	475	0.89	39.6 / 39	5	0	0.05	5.8 / 31
Iowa	249	0.89	39.7 / 38	3	0	0.00	0.0 / Z
Kansas	201	0.84	37.6 / 41	2	1	0.34	40.1 / 11
Kentucky	290	0.80	35.7 / 44	3	1	0.21	26.6 / 13
Louisiana	478	1.10	49.0 / 28	5	0	0.07	6.2 / 30
Maine	93	0.82	36.7 / 42	1	0	0.20	23.9 / 16
Maryland	633	1.48	66.1 / 15	7	1	0.33	22.0 / 17
Massachusetts	889	1.57	70.0 / 13	9	12	2.02	128.4 / 7
Michigan	1,100	1.25	55.5 / 23	11	0	0.01	0.6 / 36
Minnesota	552	1.35	60.4 / 19	6	0	0.00	0.0 / Z
Mississippi	116	0.46	20.4 / 51	1	0	0.12	26.1 / 15
Missouri	774	1.58	70.6 / 12	8	1	0.19	11.9 / 23
Montana	75	0.94	41.8 / 35	1	0	0.00	0.0 / Z
Nebraska	171	1.10	48.9 / 29	2	5	2.98	271.7 / 6
Nevada	3,472	38.17	1701.8 / 1	36	245	261.33	684.6 / 1
New Hampshire	179	1.85	82.3 / 10	2	0	0.15	8.4 / 27
New Jersey	3,176	4.32	192.7 / 3	33	202	26.67	617.0 / 2
New Mexico	147	1.04	46.5 / 31	2	0	0.17	16.4 / 21
New York	7,169	4.15	184.9 / 4	74	14	0.80	19.2 / 20
North Carolina	512	0.84	37.6 / 40	5	3	0.44	52.4 / 9
North Dakota	46	0.69	30.8 / 49	0	1	2.09	302.3 / 5
Ohio	1,529	1.46	65.3 / 16	16	0	0.00	0.0 / Z
Oklahoma	259	0.81	36.0 / 43	3	2	0.52	64.7 / 8
Oregon	283	1.08	48.4 / 30	3	1	0.29	26.3 / 14
Pennsylvania	1,357	1.18	52.5 / 26	14	0	0.02	1.6 / 35
Rhode Island	113	1.20	53.6 / 25	1	0	0.23	19.4 / 18
South Carolina	260	0.80	35.6 / 46	3	14	4.27	534.6 / 3
South Dakota	65	0.95	42.2 / 34	1	0	0.00	0.0 / Z
Tennessee	568	1.23	54.7 / 24	6	0	0.00	0.2 / 39
Texas	2,002	1.26	56.1 / 22	21	2	0.13	10.4 / 25
Utah	242	1.51	67.5 / 14	2	0	0.00	0.0 / Z
Vermont	156	2.99	133.4 / 6	2	0	0.38	12.7 / 22
Virginia	545	0.98	43.8 / 33	6	0	0.02	1.8 / 34
Washington	568	1.33	59.1 / 20	6	0	0.05	3.5 / 32
West Virginia	142	0.76	33.7 / 48	1	0	0.00	0.0 / Z
Wisconsin	514	1.11	49.4 / 27	5	0	0.00	0.4 / 37
Wyoming	45	0.91	40.7 / 36	0	0	0.00	0.0 / Z
U.S. Total	$52,043	$2.24	100.0	$536	$536	$2.24	100.0

NOTE: All per capita amounts are in dollars; total amounts are in millions of dollars.
Representative Rate = 1.03%.
*Tax base is amusement receipts in millions of dollars.
Z = Zero revenue reported
Source: ACIR staff estimates.

Table 3-10

Selective Sales Taxes: Public Utilities—1985

State	Tax Base*	Capacity Per Capita	Tax Capacity Index/Rank	Tax Capacity	Tax Revenue	Revenue Per Capita	Tax Effort Index/Rank
Alabama	$5,061	$44.44	103.3 / 15	$179	$240	$59.61	134.1 / 12
Alaska	535	36.26	84.3 / 38	19	2	3.74	10.3 / 47
Arizona	3,495	38.72	90.0 / 28	123	110	34.50	89.1 / 17
Arkansas	2,455	36.74	85.4 / 36	87	43	18.21	49.6 / 29
California	36,795	49.28	114.5 / 7	1,299	903	34.25	69.5 / 22
Colorado	3,339	36.49	84.8 / 37	118	52	16.04	44.0 / 33
Connecticut	4,496	50.02	116.2 / 5	159	289	91.14	182.2 / 6
Delaware	882	50.05	116.3 / 4	31	25	39.95	79.8 / 21
Washington, DC	895	50.48	117.3 / 3	32	76	120.99	239.7 / 2
Florida	13,896	43.17	100.3 / 16	491	752	66.19	153.3 / 10
Georgia	7,209	42.59	99.0 / 18	255	73	12.28	28.8 / 39
Hawaii	965	32.31	75.1 / 50	34	82	78.27	242.2 / 1
Idaho	1,009	35.45	82.4 / 41	36	8	7.60	21.4 / 43
Illinois	15,503	47.45	110.3 / 9	547	1,054	91.40	192.6 / 4
Indiana	6,923	44.45	103.3 / 14	244	0	0.02	0.1 / 50
Iowa	3,266	39.98	92.9 / 27	115	10	3.48	8.7 / 48
Kansas	3,278	47.24	109.8 / 10	116	58	23.73	50.2 / 28
Kentucky	4,257	40.34	93.7 / 25	150	56	15.02	37.2 / 34
Louisiana	6,191	48.78	113.4 / 8	219	104	23.28	47.7 / 30
Maine	1,119	33.96	78.9 / 46	40	27	23.25	68.5 / 23
Maryland	4,122	33.13	77.0 / 49	146	153	34.94	105.5 / 16
Massachusetts	7,555	45.82	106.5 / 13	267	0	0.00	0.0 / Z
Michigan	12,051	46.82	108.8 / 11	425	64	6.99	14.9 / 46
Minnesota	4,187	35.26	81.9 / 42	148	88	20.94	59.4 / 26
Mississippi	2,846	38.46	89.4 / 30	100	22	8.48	22.1 / 41
Missouri	5,012	35.19	81.8 / 43	177	236	47.00	133.6 / 13
Montana	820	35.06	81.5 / 44	29	9	10.34	29.5 / 37
Nebraska	1,678	36.89	85.7 / 35	59	17	10.86	29.4 / 38
Nevada	1,228	46.30	107.6 / 12	43	19	20.83	45.0 / 32
New Hampshire	1,144	40.47	94.0 / 24	40	8	8.30	20.5 / 45
New Jersey	11,205	52.31	121.6 / 1	396	941	124.45	237.9 / 3
New Mexico	1,481	36.07	83.8 / 39	52	19	13.03	36.1 / 35
New York	20,936	41.57	96.6 / 20	739	1,338	75.25	181.0 / 7
North Carolina	7,195	40.62	94.4 / 23	254	316	50.48	124.3 / 14
North Dakota	672	34.63	80.5 / 45	24	16	23.36	67.5 / 24
Ohio	13,084	43.00	99.9 / 17	462	689	64.09	149.0 / 11
Oklahoma	3,836	41.03	95.3 / 22	135	63	19.22	46.9 / 31
Oregon	2,935	38.57	89.6 / 29	104	54	20.16	52.3 / 27
Pennsylvania	13,451	40.07	93.1 / 26	475	575	48.53	121.1 / 15
Rhode Island	1,045	38.13	88.6 / 31	37	70	72.36	189.8 / 5
South Carolina	3,912	41.26	95.9 / 21	138	47	14.01	33.9 / 36
South Dakota	618	30.80	71.6 / 51	22	1	1.47	4.8 / 49
Tennessee	5,628	41.73	97.0 / 19	199	42	8.79	21.1 / 44
Texas	22,901	49.39	114.8 / 6	809	678	41.43	83.9 / 20
Utah	1,655	35.52	82.5 / 40	58	36	21.85	61.5 / 25
Vermont	570	37.60	87.4 / 33	20	18	33.29	88.6 / 18
Virginia	5,358	33.16	77.0 / 48	189	337	58.97	177.9 / 8
Washington	4,714	37.75	87.7 / 32	166	279	63.19	167.4 / 9
West Virginia	1,832	33.42	77.7 / 47	65	16	8.42	25.2 / 40
Wisconsin	5,022	37.14	86.3 / 34	177	152	31.82	85.7 / 19
Wyoming	730	50.62	117.6 / 2	26	6	11.09	21.9 / 42
U.S. Total	$290,993	$43.04	100.0	$10,274	$10,274	$43.04	100.0

NOTE:All per capita amounts are in dollars; total amounts are in millions of dollars.
Representative Rate = 3.53%.
*Tax base is public utility sales in millions of dollars.
Z = Zero revenue reported.
Source: ACIR staff estimates.

Table 3-11

Selective Sales: Alcoholic Beverages, Total—1985

State	Tax Base*	Capacity Per Capita	Tax Capacity Index/Rank	Tax Capacity	Tax Revenue	Revenue Per Capita	Tax Effort Index/Rank
Alabama		$10.01	72.7 / 46	$40	$133	$33.03	329.8 / 1
Alaska		19.16	139.2 / 4	10	14	26.17	136.6 / 14
Arizona		15.87	115.3 / 13	51	38	11.90	75.0 / 29
Arkansas		9.08	66.0 / 49	21	26	10.95	120.6 / 20
California		16.16	117.4 / 11	426	135	5.11	31.6 / 49
Colorado		15.76	114.5 / 15	51	25	7.69	48.8 / 42
Connecticut		16.27	118.2 / 10	52	33	10.29	63.3 / 34
Delaware		17.70	128.6 / 5	11	5	8.26	46.7 / 44
Washington, DC		29.81	216.6 / 1	19	7	11.51	38.6 / 47
Florida		17.29	125.6 / 6	196	422	37.11	214.7 / 5
Georgia		13.56	98.5 / 26	81	189	31.64	233.4 / 3
Hawaii		14.48	105.2 / 18	15	21	19.58	135.2 / 15
Idaho		11.05	80.3 / 40	11	10	9.63	87.1 / 24
Illinois		14.33	104.1 / 19	165	90	7.78	54.3 / 39
Indiana		11.36	82.5 / 39	62	37	6.73	59.2 / 36
Iowa		10.37	75.3 / 44	30	16	5.64	54.4 / 38
Kansas		10.03	72.9 / 45	25	43	17.60	175.4 / 8
Kentucky		9.91	72.0 / 47	37	49	13.09	132.0 / 17
Louisiana		12.61	91.6 / 32	57	78	17.42	138.1 / 13
Maine		13.66	99.2 / 25	16	31	26.89	196.9 / 6
Maryland		15.87	115.3 / 14	70	29	6.49	40.9 / 46
Massachusetts		17.06	124.0 / 7	99	84	14.35	84.1 / 26
Michigan		13.82	100.4 / 23	126	91	10.07	72.8 / 30
Minnesota		14.56	105.7 / 17	61	52	12.46	85.6 / 25
Mississippi		10.50	76.3 / 42	27	35	13.55	129.0 / 18
Missouri		11.73	85.2 / 36	59	25	4.93	42.0 / 45
Montana		14.16	102.8 / 22	12	14	16.77	118.5 / 21
Nebraska		12.09	87.9 / 35	19	13	8.18	67.7 / 31
Nevada		28.89	209.9 / 2	27	13	14.00	48.5 / 43
New Hampshire		27.59	200.4 / 3	28	11	10.62	38.5 / 48
New Jersey		15.51	112.7 / 16	117	58	7.72	49.8 / 40
New Mexico		13.43	97.6 / 28	19	16	10.82	80.6 / 27
New York		14.33	104.1 / 20	255	201	11.29	78.8 / 28
North Carolina		11.51	83.6 / 38	72	128	20.50	178.1 / 7
North Dakota		13.33	96.9 / 29	9	6	8.69	65.2 / 33
Ohio		10.97	79.7 / 41	118	70	6.53	59.6 / 35
Oklahoma		9.80	71.2 / 48	32	42	12.61	128.7 / 19
Oregon		13.00	94.4 / 31	35	11	4.05	31.2 / 50
Pennsylvania		11.57	84.1 / 37	137	130	10.98	94.9 / 23
Rhode Island		16.07	116.7 / 12	16	8	7.86	48.9 / 41
South Carolina		13.53	98.3 / 27	45	102	30.47	225.2 / 4
South Dakota		12.42	90.2 / 33	9	9	12.37	99.6 / 22
Tennessee		10.38	75.4 / 43	49	123	25.92	249.6 / 2
Texas		13.10	95.1 / 30	214	333	20.34	155.3 / 11
Utah		7.19	52.2 / 51	12	17	10.21	142.1 / 12
Vermont		16.58	120.5 / 8	9	14	26.60	160.4 / 10
Virginia		12.29	89.3 / 34	70	93	16.26	132.2 / 16
Washington		13.77	100.1 / 24	61	103	23.37	169.7 / 9
West Virginia		8.20	59.6 / 50	16	11	5.47	66.7 / 32
Wisconsin		16.56	120.3 / 9	79	44	9.19	55.5 / 37
Wyoming		14.30	103.9 / 21	7	1	2.85	19.9 / 51
U.S. Total		$13.76	100.0	$3,286	$3,286	$13.76	100.0

NOTE: All per capita amounts are in dollars; total amounts are in millions of dollars.
*No combined tax base can be reported; see tables for distilled spirits, wine, and beer.
Source: ACIR staff estimates.

Table 3-12

Alcoholic Beverages Tax: Distilled Spirits—1985

State	Tax Base*	Capacity Per Capita	Tax Capacity Index/Rank	Tax Capacity	Tax Revenue	Revenue Per Capita	Tax Effort Index/Rank
Alabama	5,161	$5.17	73.7 / 43	$21	$68	$16.82	325.4 / 1
Alaska	1,426	11.02	157.2 / 4	6	7	13.33	120.9 / 21
Arizona	5,915	7.47	106.6 / 22	24	19	6.06	81.1 / 27
Arkansas	2,635	4.50	64.2 / 48	11	13	5.58	124.0 / 20
California	51,960	7.94	113.2 / 16	209	69	2.60	32.8 / 48
Colorado	6,617	8.25	117.6 / 13	27	13	3.92	47.5 / 41
Connecticut	7,634	9.68	138.2 / 6	31	17	5.24	54.1 / 38
Delaware	1,585	10.26	146.4 / 5	6	3	4.21	41.0 / 44
Washington, DC	3,085	19.85	283.1 / 1	12	4	5.86	29.5 / 50
Florida	25,829	9.15	130.5 / 8	104	215	18.90	206.5 / 4
Georgia	11,520	7.76	110.7 / 18	46	96	16.11	207.6 / 3
Hawaii	1,767	6.75	96.3 / 28	7	11	9.97	147.7 / 12
Idaho	1,188	4.76	67.9 / 46	5	5	4.90	103.0 / 23
Illinois	21,476	7.50	106.9 / 21	86	46	3.96	52.9 / 39
Indiana	7,645	5.60	79.9 / 36	31	19	3.43	61.2 / 35
Iowa	3,179	4.44	63.3 / 49	13	8	2.87	64.7 / 34
Kansas	2,982	4.90	69.9 / 45	12	22	8.96	182.9 / 8
Kentucky	4,764	5.15	73.4 / 44	19	25	6.66	129.4 / 16
Louisiana	7,188	6.46	92.1 / 30	29	40	8.87	137.4 / 14
Maine	2,135	7.39	105.4 / 25	9	16	13.69	185.4 / 7
Maryland	9,934	9.11	129.9 / 9	40	15	3.31	36.3 / 46
Massachusetts	13,951	9.65	137.6 / 7	56	43	7.31	75.7 / 29
Michigan	16,758	7.43	105.9 / 24	67	47	5.13	69.0 / 33
Minnesota	8,561	8.22	117.3 / 14	34	27	6.34	77.2 / 28
Mississippi	3,557	5.48	78.2 / 38	14	18	6.90	125.9 / 18
Missouri	6,764	5.42	77.3 / 39	27	13	2.51	46.3 / 42
Montana	1,377	6.71	95.8 / 29	6	7	8.54	127.2 / 17
Nebraska	2,298	5.76	82.2 / 34	9	7	4.17	72.3 / 32
Nevada	4,115	17.70	252.6 / 2	17	7	7.13	40.3 / 45
New Hampshire	4,354	17.57	250.6 / 3	18	5	5.41	30.8 / 49
New Jersey	16,224	8.64	123.2 / 10	65	30	3.93	45.5 / 43
New Mexico	2,050	5.69	81.2 / 35	8	8	5.51	96.8 / 24
New York	34,515	7.82	111.5 / 17	139	102	5.75	73.6 / 30
North Carolina	9,397	6.05	86.3 / 32	38	65	10.44	172.6 / 10
North Dakota	1,265	7.44	106.1 / 23	5	3	4.42	59.5 / 36
Ohio	12,206	4.57	65.3 / 47	49	36	3.33	72.7 / 31
Oklahoma	4,242	5.17	73.8 / 42	17	21	6.42	124.1 / 19
Oregon	4,017	6.02	85.9 / 33	16	6	2.06	34.3 / 47
Pennsylvania	15,246	5.18	73.9 / 41	61	66	5.59	108.0 / 22
Rhode Island	2,006	8.35	119.0 / 12	8	4	4.00	48.0 / 40
South Carolina	6,347	7.64	108.9 / 19	26	52	15.52	203.2 / 5
South Dakota	1,243	7.07	100.8 / 26	5	4	6.30	89.1 / 25
Tennessee	6,269	5.30	75.6 / 40	25	63	13.20	249.0 / 2
Texas	22,383	5.51	78.5 / 37	90	170	10.36	188.2 / 6
Utah	1,467	3.59	51.2 / 50	6	9	5.20	144.8 / 13
Vermont	1,138	8.57	122.2 / 11	5	7	13.55	158.1 / 11
Virginia	8,674	6.12	87.3 / 31	35	47	8.28	135.2 / 15
Washington	7,419	6.78	96.6 / 27	30	52	11.90	175.7 / 9
West Virginia	1,570	3.27	46.6 / 51	6	5	2.79	85.3 / 26
Wisconsin	9,636	8.13	115.9 / 15	39	22	4.68	57.6 / 37
Wyoming	958	7.58	108.1 / 20	4	1	1.45	19.2 / 51
U.S. Total	415,639	$7.01	100.0	$1,674	$1,674	$7.01	100.0

NOTE:All per capita amounts are in dollars; total amounts are in millions of dollars.
Representative Rate = $4.03 per gallon.
*Tax base is distilled spirits in thousands of gallons.
Source: ACIR staff estimates.

Table 3-13

Alcoholic Beverages: Beer—1985

State	Tax Base*	Capacity Per Capita	Tax Capacity Index/Rank	Tax Capacity	Tax Revenue	Revenue Per Capita	Tax Effort Index/Rank
Alabama	2,420	$4.23	78.8 / 48	$17	$52	$12.90	304.6 / 1
Alaska	461	6.23	115.8 / 10	3	5	10.22	164.1 / 10
Arizona	3,066	6.77	125.9 / 4	22	15	4.65	68.7 / 31
Arkansas	1,380	4.11	76.5 / 49	10	10	4.28	103.9 / 21
California	20,374	5.43	101.1 / 22	143	53	2.00	36.7 / 48
Colorado	2,627	5.72	106.4 / 16	18	10	3.00	52.5 / 41
Connecticut	2,132	4.72	87.9 / 40	15	13	4.02	85.1 / 26
Delaware	527	5.95	110.8 / 13	4	2	3.22	54.2 / 38
Washington, DC	543	6.10	113.5 / 11	4	3	4.49	73.7 / 30
Florida	10,671	6.60	122.8 / 5	75	165	14.49	219.4 / 5
Georgia	4,128	4.86	90.4 / 37	29	74	12.36	254.4 / 2
Hawaii	942	6.28	116.9 / 9	7	8	7.64	121.7 / 15
Idaho	723	5.06	94.1 / 31	5	4	3.76	74.4 / 29
Illinois	9,044	5.51	102.6 / 20	64	35	3.04	55.1 / 37
Indiana	3,895	4.98	92.7 / 35	27	14	2.63	52.8 / 39
Iowa	2,128	5.19	96.6 / 29	15	6	2.20	42.4 / 47
Kansas	1,592	4.57	85.0 / 43	11	17	6.87	150.4 / 11
Kentucky	2,270	4.28	79.7 / 47	16	19	5.11	119.3 / 18
Louisiana	3,324	5.22	97.1 / 27	23	30	6.80	130.4 / 12
Maine	833	5.03	93.6 / 32	6	12	10.50	208.6 / 6
Maryland	3,388	5.43	100.9 / 23	24	11	2.54	46.7 / 45
Massachusetts	4,580	5.53	102.9 / 19	32	33	5.60	101.3 / 23
Michigan	6,761	5.23	97.3 / 26	48	36	3.93	75.1 / 28
Minnesota	3,111	5.22	97.1 / 28	22	20	4.86	93.2 / 25
Mississippi	1,736	4.67	86.9 / 42	12	14	5.29	113.3 / 19
Missouri	3,847	5.38	100.1 / 24	27	10	1.92	35.8 / 49
Montana	740	6.30	117.2 / 8	5	5	6.55	104.0 / 20
Nebraska	1,272	5.57	103.6 / 18	9	5	3.20	57.4 / 36
Nevada	1,076	8.09	150.5 / 2	8	5	5.47	67.6 / 32
New Hampshire	1,150	8.11	150.8 / 1	8	4	4.15	51.2 / 42
New Jersey	5,211	4.85	90.2 / 38	37	23	3.02	62.2 / 35
New Mexico	1,345	6.52	121.3 / 7	9	6	4.23	64.8 / 33
New York	11,910	4.71	87.6 / 41	84	78	4.41	93.6 / 24
North Carolina	3,975	4.47	83.1 / 45	28	50	8.00	179.1 / 8
North Dakota	511	5.24	97.6 / 25	4	2	3.39	64.7 / 34
Ohio	8,385	5.49	102.1 / 21	59	27	2.55	46.5 / 46
Oklahoma	1,922	4.10	76.2 / 50	14	16	4.92	120.2 / 17
Oregon	1,913	5.01	93.1 / 34	13	4	1.58	31.6 / 50
Pennsylvania	9,510	5.64	105.0 / 17	67	51	4.29	76.0 / 27
Rhode Island	803	5.83	108.5 / 15	6	3	3.07	52.6 / 40
South Carolina	2,386	5.01	93.3 / 33	17	40	11.90	237.3 / 3
South Dakota	477	4.74	88.2 / 39	3	3	4.83	101.8 / 22
Tennessee	3,046	4.50	83.7 / 44	21	48	10.12	225.0 / 4
Texas	15,368	6.60	122.8 / 6	108	130	7.94	120.3 / 16
Utah	731	3.12	58.1 / 51	5	7	3.99	127.6 / 13
Vermont	459	6.03	112.2 / 12	3	6	10.39	172.3 / 9
Virginia	4,120	5.08	94.5 / 30	29	36	6.35	125.0 / 14
Washington	3,054	4.87	90.6 / 36	21	40	9.13	187.3 / 7
West Virginia	1,229	4.46	83.0 / 46	9	4	2.14	47.8 / 44
Wisconsin	4,951	7.29	135.7 / 3	35	17	3.59	49.2 / 43
Wyoming	426	5.89	109.6 / 14	3	1	1.11	18.9 / 51
U.S. Total	182,471	$5.38	100.0	$1,283	$1,283	$5.38	100.0

NOTE: All per capita amounts are in dollars; total amounts are in millions of dollars.
Representative Rate = $7.03 per barrel.
*Tax base is beer sales in thousands of barrels.
Source: ACIR staff estimates.

Table 3-14

Alcoholic Beverages Tax: Wine—1985

State	Tax Base*	Capacity Per Capita	Tax Capacity Index/Rank	Tax Capacity	Tax Revenue	Revenue Per Capita	Tax Effort Index/Rank
Alabama	4,241	$0.61	44.3 / 42	$2	$13	$3.31	542.4 / 1
Alaska	1,719	1.91	138.4 / 9	1	1	2.62	137.4 / 20
Arizona	8,983	1.63	118.3 / 15	5	4	1.19	73.2 / 35
Arkansas	1,902	0.47	33.8 / 50	1	3	1.10	235.2 / 10
California	127,200	2.79	202.4 / 3	74	14	0.51	18.4 / 51
Colorado	10,001	1.79	129.9 / 14	6	2	0.77	43.0 / 45
Connecticut	10,219	1.86	135.1 / 12	6	3	1.03	55.4 / 41
Delaware	1,590	1.48	107.3 / 17	1	1	0.83	56.0 / 39
Washington, DC	4,179	3.86	280.1 / 1	2	1	1.15	29.9 / 49
Florida	30,106	1.53	111.1 / 16	17	42	3.72	242.7 / 8
Georgia	9,682	0.94	68.0 / 31	6	19	3.17	338.3 / 5
Hawaii	2,638	1.45	105.0 / 18	2	2	1.96	135.5 / 21
Idaho	2,145	1.24	89.5 / 22	1	1	0.97	78.2 / 32
Illinois	26,386	1.32	96.0 / 20	15	9	0.78	58.9 / 38
Indiana	7,399	0.78	56.5 / 37	4	4	0.67	86.6 / 29
Iowa	3,691	0.74	53.7 / 40	2	2	0.57	76.4 / 34
Kansas	2,389	0.56	40.9 / 45	1	4	1.76	312.7 / 6
Kentucky	3,077	0.48	34.6 / 47	2	5	1.31	274.5 / 7
Louisiana	7,240	0.94	67.8 / 32	4	8	1.75	186.8 / 16
Maine	2,491	1.24	89.8 / 21	1	3	2.70	217.7 / 12
Maryland	10,148	1.34	96.9 / 19	6	3	0.65	48.7 / 43
Massachusetts	18,922	1.88	136.4 / 11	11	8	1.44	76.5 / 33
Michigan	18,312	1.17	84.5 / 24	11	9	1.01	86.5 / 30
Minnesota	8,088	1.12	80.9 / 27	5	5	1.25	111.9 / 25
Mississippi	1,583	0.35	25.4 / 51	1	4	1.36	387.4 / 3
Missouri	8,120	0.93	67.7 / 33	5	2	0.49	52.9 / 42
Montana	1,633	1.14	82.9 / 25	1	1	1.68	147.0 / 18
Nebraska	2,119	0.76	55.4 / 38	1	1	0.82	107.4 / 27
Nevada	5,010	3.10	224.6 / 2	3	1	1.40	45.3 / 44
New Hampshire	3,307	1.92	139.0 / 8	2	1	1.06	55.5 / 40
New Jersey	26,504	2.03	147.1 / 5	15	6	0.77	38.2 / 47
New Mexico	3,049	1.22	88.2 / 23	2	2	1.08	89.1 / 28
New York	55,483	1.81	130.9 / 13	32	20	1.13	62.7 / 37
North Carolina	10,671	0.99	71.6 / 30	6	13	2.05	208.1 / 13
North Dakota	774	0.65	47.4 / 41	0	1	0.87	133.2 / 23
Ohio	16,855	0.91	65.8 / 34	10	7	0.66	72.2 / 36
Oklahoma	3,031	0.53	38.5 / 46	2	4	1.26	237.9 / 9
Oregon	9,159	1.97	143.0 / 7	5	1	0.41	20.6 / 50
Pennsylvania	15,344	0.75	54.3 / 39	9	13	1.10	147.0 / 19
Rhode Island	3,161	1.89	137.0 / 10	2	1	0.79	41.7 / 46
South Carolina	5,098	0.88	63.9 / 35	3	10	3.05	346.5 / 4
South Dakota	744	0.61	44.1 / 43	0	1	1.24	203.9 / 15
Tennessee	4,819	0.59	42.5 / 44	3	12	2.60	443.6 / 2
Texas	27,955	0.99	71.6 / 29	16	33	2.04	206.3 / 14
Utah	1,335	0.47	34.0 / 49	1	2	1.02	218.0 / 11
Vermont	1,837	1.99	144.1 / 6	1	1	2.67	134.2 / 22
Virginia	10,775	1.09	79.2 / 28	6	9	1.63	149.1 / 17
Washington	16,194	2.13	154.1 / 4	9	10	2.34	110.2 / 26
West Virginia	1,585	0.47	34.3 / 48	1	1	0.55	115.7 / 24
Wisconsin	9,395	1.14	82.6 / 26	5	4	0.92	80.9 / 31
Wyoming	725	0.82	59.8 / 36	0	0	0.29	34.7 / 48
U.S. Total	569,013	$1.38	100.0	$329	$329	$1.38	100.0

NOTE:All per capita amounts are in dollars; total amounts are in millions of dollars.
Representative Rate = $0.58 per gallon.
*Tax base is wine sales in thousands of gallons.
Source: ACIR staff estimates.

Table 3-15

All License Taxes—1985

State	Tax Base*	Capacity Per Capita	Tax Capacity Index/Rank	Tax Capacity	Tax Revenue	Revenue Per Capita	Tax Effort Index/Rank
Alabama		$52.45	106.4 / 22	$211	$169	$42.06	80.2 / 31
Alaska		61.21	124.2 / 9	32	29	55.24	90.2 / 24
Arizona		52.34	106.2 / 23	167	170	53.49	102.2 / 19
Arkansas		46.93	95.2 / 37	111	93	39.27	83.7 / 28
California		47.14	95.6 / 36	1,243	697	26.45	56.1 / 47
Colorado		63.14	128.1 / 6	204	125	38.60	61.1 / 44
Connecticut		47.43	96.2 / 35	151	135	42.66	89.9 / 25
Delaware		54.55	110.6 / 20	34	158	254.02	465.7 / 1
Washington, DC		34.12	69.2 / 51	21	24	37.55	110.1 / 15
Florida		59.81	121.3 / 13	680	406	35.69	59.7 / 45
Georgia		51.02	103.5 / 28	305	105	17.58	34.4 / 51
Hawaii		42.84	86.9 / 46	45	30	28.45	66.4 / 40
Idaho		65.49	132.8 / 5	66	49	48.33	73.8 / 36
Illinois		45.31	91.9 / 42	523	734	63.63	140.4 / 6
Indiana		48.55	98.5 / 31	267	136	24.75	51.0 / 50
Iowa		61.91	125.6 / 7	179	181	62.90	101.6 / 20
Kansas		60.08	121.9 / 11	147	101	41.34	68.8 / 39
Kentucky		47.77	96.9 / 34	178	142	38.21	80.0 / 34
Louisiana		51.92	105.3 / 25	233	282	62.84	121.0 / 9
Maine		51.98	105.4 / 24	61	59	50.36	96.9 / 21
Maryland		47.94	97.2 / 33	211	112	25.49	53.2 / 48
Massachusetts		42.75	86.7 / 47	249	162	27.84	65.1 / 42
Michigan		48.83	99.0 / 30	444	365	40.16	82.2 / 30
Minnesota		55.70	113.0 / 18	234	271	64.70	116.2 / 11
Mississippi		43.60	88.4 / 45	114	131	50.17	115.1 / 12
Missouri		51.18	103.8 / 26	257	238	47.40	92.6 / 23
Montana		68.04	138.0 / 3	56	61	73.76	108.4 / 17
Nebraska		58.72	119.1 / 14	94	76	47.05	80.1 / 33
Nevada		57.35	116.3 / 16	54	46	49.38	86.1 / 27
New Hampshire		59.87	121.4 / 12	60	50	49.80	83.2 / 29
New Jersey		46.43	94.2 / 39	351	454	60.10	129.4 / 8
New Mexico		56.75	115.1 / 17	82	59	40.72	71.8 / 37
New York		40.86	82.9 / 49	727	644	36.20	88.6 / 26
North Carolina		46.52	94.4 / 38	291	320	51.08	109.8 / 16
North Dakota		70.46	142.9 / 2	48	39	56.47	80.1 / 32
Ohio		45.60	92.5 / 40	490	690	64.23	140.9 / 5
Oklahoma		61.52	124.8 / 8	203	241	72.91	118.5 / 10
Oregon		58.42	118.5 / 15	157	175	65.18	111.6 / 14
Pennsylvania		40.42	82.0 / 50	479	895	75.50	186.8 / 3
Rhode Island		45.16	91.6 / 43	44	27	27.87	61.7 / 43
South Carolina		44.09	89.4 / 44	148	75	22.50	51.0 / 49
South Dakota		67.17	136.2 / 4	48	32	44.56	66.3 / 41
Tennessee		48.13	97.6 / 32	229	301	63.14	131.2 / 7
Texas		52.62	106.7 / 21	861	1620	98.94	188.0 / 2
Utah		51.13	103.7 / 27	84	49	29.61	57.9 / 46
Vermont		60.67	123.1 / 10	32	34	63.79	105.1 / 18
Virginia		45.32	91.9 / 41	259	290	50.75	112.0 / 13
Washington		55.37	112.3 / 19	244	184	41.72	75.4 / 35
West Virginia		42.51	86.2 / 48	82	78	40.20	94.6 / 22
Wisconsin		51.02	103.5 / 29	244	170	35.65	69.9 / 38
Wyoming		78.70	159.6 / 1	40	59	115.19	146.4 / 4
U.S. Total		$49.30	100.0	$11,770	$11,770	$49.30	100.0

NOTE: All per capita amounts are in dollars; total amounts are in millions of dollars.
*No combined tax base can be reported; see tables for particular licenses.
Source: ACIR staff estimates.

Table 3-16

License Taxes: Motor Vehicle Operators—1985

State	Tax Base*	Capacity Per Capita	Tax Capacity Index/Rank	Tax Capacity	Tax Revenue	Revenue Per Capita	Tax Effort Index/Rank
Alabama	2461.559	$2.40	93.2 / 11	$10	8.924	$2.22	92.4 / 24
Alaska	300	2.26	87.6 / 12	1	0.598	1.15	50.8 / 44
Arizona	2324.591	2.86	111.0 / 20	9	5.571	1.75	61.1 / 41
Arkansas	1723.753	2.87	111.2 / 21	7	4.781	2.03	70.7 / 34
California	17444.64	2.59	100.7 / 34	68	60.74	2.30	88.8 / 25
Colorado	2284.364	2.77	107.6 / 16	9	6.219	1.92	69.4 / 36
Connecticut	2314.612	2.86	111.0 / 50	9	17.544	5.53	193.3 / 2
Delaware	447.937	2.82	109.6 / 37	2	1.159	1.86	66.0 / 38
Washington, DC	384.736	2.41	93.5 / 51	2	1.597	2.55	105.8 / 18
Florida	8016.239	2.77	107.3 / 31	31	32.729	2.88	104.1 / 21
Georgia	3910.454	2.57	99.6 / 23	15	11.616	1.94	75.7 / 32
Hawaii	593.952	2.21	85.8 / 47	2	0	0.00	0.0 / Z
Idaho	692.404	2.70	104.9 / 4	3	2.911	2.90	107.2 / 17
Illinois	6949.622	2.36	91.7 / 40	27	34.008	2.95	124.8 / 12
Indiana	3597.585	2.57	99.6 / 26	14	0	0.00	0.0 / Z
Iowa	1900.998	2.58	100.3 / 9	7	11.251	3.90	150.9 / 7
Kansas	1655.82	2.65	102.9 / 8	6	4.559	1.86	70.2 / 35
Kentucky	2248.381	2.37	91.8 / 17	9	6.385	1.71	72.4 / 33
Louisiana	2755.943	2.41	93.6 / 19	11	8.386	1.87	77.6 / 31
Maine	803.83	2.71	105.1 / 27	3	4.789	4.11	151.9 / 6
Maryland	2907.494	2.60	100.7 / 41	11	7.796	1.78	68.4 / 37
Massachusetts	3792.074	2.55	99.1 / 46	15	31.056	5.33	208.8 / 1
Michigan	6254.118	2.70	104.7 / 39	25	15.978	1.76	65.1 / 39
Minnesota	2473.073	2.31	89.8 / 28	10	9.397	2.24	96.9 / 23
Mississippi	1810.847	2.72	105.5 / 36	7	8.131	3.11	114.5 / 14
Missouri	3393.353	2.65	102.7 / 24	13	11.03	2.19	82.9 / 28
Montana	582.085	2.76	107.2 / 5	2	1.321	1.60	57.9 / 43
Nebraska	1089.797	2.66	103.3 / 10	4	2.68	1.67	62.7 / 40
Nevada	699.077	2.93	113.7 / 22	3	2.391	2.55	87.2 / 26
New Hampshire	737.852	2.90	112.5 / 35	3	4.571	4.58	158.0 / 5
New Jersey	5793.689	3.00	116.6 / 49	23	23.984	3.17	105.6 / 20
New Mexico	977.88	2.64	102.6 / 7	4	3.082	2.13	80.4 / 29
New York	9841.209	2.17	84.2 / 48	39	56.818	3.20	147.2 / 8
North Carolina	4122.866	2.58	100.3 / 25	16	27.687	4.43	171.2 / 3
North Dakota	443.002	2.54	98.4 / 2	2	1.741	2.54	100.2 / 22
Ohio	7336.386	2.68	103.9 / 42	29	10.78	1.00	37.5 / 47
Oklahoma	2243.223	2.67	103.4 / 6	9	6.918	2.10	78.6 / 30
Oregon	1959.765	2.86	111.0 / 13	8	11.191	4.16	145.6 / 9
Pennsylvania	7555.006	2.50	97.0 / 43	30	42.609	3.59	143.8 / 10
Rhode Island	619.132	2.51	97.3 / 45	2	0	0.00	0.0 / Z
South Carolina	2131.895	2.50	96.9 / 33	8	3.979	1.19	47.6 / 45
South Dakota	483.89	2.68	104.0 / 3	2	1.138	1.61	60.0 / 42
Tennessee	3025.458	2.49	96.7 / 32	12	19.943	4.19	168.1 / 4
Texas	10809.078	2.59	100.5 / 15	42	36.321	2.22	85.7 / 27
Utah	962.881	2.30	89.1 / 18	4	4.76	2.89	126.1 / 11
Vermont	385.132	2.82	109.6 / 29	2	1.706	3.19	113.0 / 16
Virginia	3804.113	2.61	101.5 / 44	15	15.763	2.76	105.7 / 19
Washington	2980.717	2.65	102.9 / 14	12	13.889	3.15	118.8 / 13
West Virginia	1298.585	2.63	102.1 / 30	5	0	0.00	0.0 / Z
Wisconsin	3211.33	2.64	102.4 / 38	13	14.265	2.99	113.3 / 15
Wyoming	331.85	2.56	99.2 / 1	1	0.493	0.97	37.9 / 46
U.S. Total	156,868	$2.58	100.0	$615	$615	$2.58	100.0

NOTE: All per capita amounts are in dollars; total amounts are in millions of dollars.
Representative Rate = $3.92 per license.
*Tax base is the number of motor vehicle operators licenses in thousands.
Z = Zero revenue reported.
Source: ACIR staff estimates.

Table 3-17

License Taxes: Corporations—1985

State	Tax Base*	Capacity Per Capita	Tax Capacity Index/Rank	Tax Capacity	Tax Revenue	Revenue Per Capita	Tax Effort Index/Rank
Alabama	37,521	$7.09	61.1 / 50	$29	73.681	$18.32	258.5 / 8
Alaska	9,072	13.23	114.1 / 13	7	0.981	1.88	14.2 / 32
Arizona	51,671	12.32	106.2 / 18	39	3.363	1.06	8.6 / 36
Arkansas	28,955	9.33	80.4 / 42	22	3.931	1.67	17.9 / 27
California	382,623	11.03	95.1 / 29	291	7.248	0.27	2.5 / 50
Colorado	65,193	15.33	132.2 / 5	50	2.436	0.75	4.9 / 47
Connecticut	58,007	13.88	119.7 / 10	44	6.405	2.02	14.5 / 31
Delaware	14,122	17.25	148.7 / 3	11	121.057	194.63	1128.3 / 1
Washington, DC	10,400	12.62	108.8 / 16	8	2.03	3.24	25.7 / 23
Florida	275,283	18.40	158.7 / 1	209	18.086	1.59	8.6 / 35
Georgia	79,736	10.14	87.4 / 35	61	15.443	2.58	25.5 / 24
Hawaii	20,555	14.82	127.8 / 8	16	1.051	1.00	6.7 / 44
Idaho	13,878	10.49	90.5 / 32	11	0.277	0.28	2.6 / 49
Illinois	166,905	10.99	94.8 / 30	127	55.896	4.85	44.1 / 17
Indiana	69,143	9.55	82.4 / 40	53	4.321	0.79	8.2 / 37
Iowa	42,220	11.12	95.9 / 26	32	17.541	6.08	54.7 / 14
Kansas	36,980	11.47	98.9 / 24	28	9.69	3.96	34.5 / 20
Kentucky	39,285	8.01	69.1 / 47	30	20.202	5.42	67.7 / 13
Louisiana	72,782	12.34	106.4 / 17	55	201.857	45.05	365.0 / 4
Maine	15,689	10.24	88.3 / 34	12	0.966	0.83	8.1 / 38
Maryland	70,626	12.22	105.4 / 19	54	4.043	0.92	7.5 / 40
Massachusetts	100,669	13.14	113.3 / 14	76	9.593	1.65	12.5 / 34
Michigan	118,977	9.95	85.8 / 38	90	6.984	0.77	7.7 / 39
Minnesota	64,591	11.70	100.9 / 22	49	2.064	0.49	4.2 / 48
Mississippi	23,965	6.97	60.1 / 51	18	59.358	22.72	326.0 / 6
Missouri	71,121	10.74	92.7 / 31	54	41.532	8.26	76.9 / 12
Montana	14,545	13.38	115.4 / 12	11	0.752	0.91	6.8 / 42
Nebraska	27,464	12.99	112.0 / 15	21	4.507	2.81	21.6 / 25
Nevada	17,988	14.60	125.9 / 9	14	3.768	4.03	27.6 / 22
New Hampshire	16,019	12.19	105.2 / 20	12	3.648	3.66	30.0 / 21
New Jersey	173,949	17.48	150.7 / 2	132	107.252	14.18	81.2 / 11
New Mexico	17,475	9.16	79.0 / 43	13	6.979	4.81	52.6 / 15
New York	377,022	16.11	138.9 / 4	286	16.35	0.92	5.7 / 46
North Carolina	78,657	9.55	82.4 / 39	60	86.671	13.86	145.0 / 9
North Dakota	9,120	10.12	87.2 / 36	7	0.474	0.69	6.8 / 41
Ohio	125,885	8.90	76.8 / 44	96	300.161	27.94	313.8 / 7
Oklahoma	51,854	11.93	102.9 / 21	39	32.63	9.88	82.8 / 10
Oregon	40,777	11.53	99.4 / 23	31	3.913	1.46	12.6 / 33
Pennsylvania	131,036	8.40	72.4 / 46	100	435.114	36.71	437.1 / 3
Rhode Island	19,260	15.12	130.4 / 6	15	2.583	2.67	17.7 / 28
South Carolina	39,019	8.86	76.4 / 45	30	14.764	4.41	49.8 / 16
South Dakota	8,883	9.53	82.2 / 41	7	1.049	1.48	15.5 / 29
Tennessee	46,547	7.43	64.0 / 48	35	117.35	24.64	331.8 / 5
Texas	240,565	11.16	96.3 / 25	183	910.427	55.62	498.1 / 2
Utah	23,878	11.03	95.1 / 28	18	0	0.00	0.0 / Z
Vermont	10,631	15.10	130.2 / 7	8	0.509	0.95	6.3 / 45
Virginia	75,861	10.10	87.1 / 37	58	11.343	1.99	19.7 / 26
Washington	64,448	11.11	95.8 / 27	49	7.349	1.67	15.0 / 30
West Virginia	18,181	7.13	61.5 / 49	14	5	2.58	36.2 / 19
Wisconsin	65,815	10.47	90.3 / 33	50	3.378	0.71	6.8 / 43
Wyoming	9,241	13.79	118.9 / 11	7	2.583	5.07	36.8 / 18
U.S. Total	3,644,089	$11.60	100.0	$2,769	$2,769	$11.60	100.0

NOTE: All per capita amounts are in dollars; total amounts are in millions of dollars.
Representative Rate = $759.75 per corporation.
*Tax base is the number of corporations that filed federal tax returns.
Z = Zero revenue reported.
Source: ACIR staff estimates.

Table 3-18

License Taxes: Hunting and Fishing—1985

State	Tax Base*	Capacity Per Capita	Tax Capacity Index/Rank	Tax Capacity	Tax Revenue	Revenue Per Capita	Tax Effort Index/Rank
Alabama	1,224	$2.83	114.6 / 29	$11	$10	$2.52	88.9 / 30
Alaska	505	9.01	364.8 / 2	5	10	19.61	217.6 / 3
Arizona	942	2.75	111.4 / 30	9	10	3.17	115.2 / 18
Arkansas	1,234	4.87	197.0 / 13	11	12	5.12	105.1 / 22
California	4,007	1.41	57.2 / 40	37	47	1.78	125.6 / 14
Colorado	1,408	4.06	164.2 / 15	13	30	9.16	225.8 / 2
Connecticut	387	1.13	45.9 / 45	4	2	0.77	68.3 / 43
Delaware	71	1.06	43.0 / 46	1	1	0.87	82.0 / 34
Washington, DC	0	0.00	0.0 / B	0	0	0.00	0.0 / Z
Florida	1,439	1.18	47.7 / 44	13	10	0.88	74.6 / 39
Georgia	1,556	2.42	98.1 / 33	14	11	1.89	77.9 / 37
Hawaii	28	0.25	10.1 / 50	0	0	0.13	51.0 / 49
Idaho	971	8.99	363.8 / 3	9	13	12.77	142.0 / 9
Illinois	1,636	1.32	53.4 / 42	15	14	1.18	89.3 / 29
Indiana	1,315	2.22	90.1 / 36	12	8	1.39	62.6 / 46
Iowa	979	3.16	127.9 / 26	9	6	2.07	65.5 / 45
Kansas	709	2.69	109.0 / 31	7	9	3.52	130.7 / 13
Kentucky	1,288	3.22	130.2 / 23	12	9	2.36	73.5 / 40
Louisiana	1,403	2.91	117.9 / 28	13	6	1.38	47.4 / 50
Maine	665	5.32	215.3 / 9	6	8	7.27	136.7 / 11
Maryland	585	1.24	50.2 / 43	5	7	1.48	119.5 / 17
Massachusetts	481	0.77	31.1 / 47	4	4	0.69	90.3 / 27
Michigan	3,272	3.35	135.6 / 21	30	24	2.63	78.4 / 36
Minnesota	2,573	5.71	231.1 / 8	24	22	5.21	91.3 / 26
Mississippi	1,088	3.87	156.8 / 16	10	7	2.62	67.7 / 44
Missouri	2,002	3.70	149.9 / 18	19	13	2.58	69.8 / 42
Montana	848	9.55	386.6 / 1	8	16	18.98	198.7 / 4
Nebraska	532	3.08	124.7 / 27	5	7	4.31	140.0 / 10
Nevada	322	3.20	129.5 / 24	3	3	3.66	114.5 / 19
New Hampshire	355	3.31	133.8 / 22	3	4	3.59	108.5 / 20
New Jersey	489	0.60	24.3 / 49	5	7	0.87	145.5 / 7
New Mexico	550	3.53	143.0 / 19	5	9	6.00	169.7 / 5
New York	2,632	1.38	55.7 / 41	24	21	1.18	86.0 / 31
North Carolina	1,127	1.68	67.9 / 39	10	11	1.74	104.0 / 23
North Dakota	371	5.03	203.8 / 10	3	4	6.05	120.1 / 16
Ohio	2,254	1.95	79.0 / 38	21	15	1.43	73.1 / 41
Oklahoma	1,230	3.47	140.4 / 20	11	9	2.87	82.7 / 33
Oregon	1,441	4.99	202.0 / 11	13	17	6.23	124.9 / 15
Pennsylvania	3,378	2.65	107.4 / 32	31	29	2.43	91.5 / 25
Rhode Island	68	0.65	26.5 / 48	1	1	0.70	106.8 / 21
South Carolina	859	2.39	96.7 / 35	8	7	2.01	84.4 / 32
South Dakota	504	6.62	267.9 / 6	5	7	10.42	157.4 / 6
Tennessee	1,949	3.81	154.2 / 17	18	11	2.27	59.7 / 48
Texas	3,908	2.22	89.9 / 37	36	22	1.36	61.1 / 47
Utah	877	4.96	200.8 / 12	8	12	7.21	145.3 / 8
Vermont	445	7.74	313.1 / 5	4	3	6.34	82.0 / 35
Virginia	1,481	2.42	97.8 / 34	14	11	1.87	77.2 / 38
Washington	1,512	3.19	129.1 / 25	14	19	4.32	135.5 / 12
West Virginia	892	4.28	173.4 / 14	8	7	3.84	89.6 / 28
Wisconsin	3,108	6.06	245.2 / 7	29	29	6.17	101.9 / 24
Wyoming	487	8.90	360.3 / 4	5	17	33.65	378.1 / 1
U.S. Total	63,383	$2.47	100.0	$590	$590	$2.47	100.0

NOTE: All per capita amounts are in dollars; total amounts are in millions of dollars.
Representative Rate = $9.31 per license
*Tax base is the number of hunting plus fishing licenses in thousands.
B = Base is zero.
Z = Zero revenue reported.
Source: ACIR staff estimates.

Table 3-19

License Taxes: Alcoholic Beverage Sales—1985

State	Tax Base*	Capacity Per Capita	Tax Capacity Index/Rank	Tax Capacity	Tax Revenue	Revenue Per Capita	Tax Effort Index/Rank
Alabama	2,649	$0.54	55.3 / 42	$2	2.684	$0.67	123.6 / 19
Alaska	1,804	2.84	290.6 / 1	1	1.702	3.27	115.2 / 20
Arizona	4,471	1.15	117.8 / 25	4	2.289	0.72	62.5 / 31
Arkansas	1,339	0.46	47.6 / 45	1	1	0.42	91.2 / 25
California	26,746	0.83	85.2 / 31	22	29.697	1.13	135.5 / 16
Colorado	5,855	1.49	152.1 / 14	5	2.377	0.74	49.5 / 36
Connecticut	5,804	1.50	153.5 / 11	5	6.419	2.02	135.0 / 17
Delaware	928	1.22	125.2 / 22	1	0.578	0.93	76.0 / 27
Washington, DC	966	1.26	129.5 / 21	1	1.809	2.89	228.6 / 6
Florida	8,423	0.61	62.2 / 37	7	17.383	1.53	251.8 / 3
Georgia	3,901	0.53	54.8 / 43	3	1.699	0.28	53.2 / 34
Hawaii	1,977	1.54	157.4 / 10	2	0	0.00	0.0 / Z
Idaho	957	0.78	80.0 / 33	1	0.989	0.98	126.1 / 18
Illinois	20,915	1.49	152.2 / 13	17	1.899	0.16	11.1 / 43
Indiana	6,145	0.92	93.8 / 30	5	8.645	1.57	171.7 / 10
Iowa	4,731	1.34	137.7 / 19	4	4.424	1.53	114.1 / 21
Kansas	2,403	0.80	82.3 / 32	2	1.227	0.50	62.3 / 32
Kentucky	2,365	0.52	53.3 / 44	2	1.866	0.50	96.3 / 23
Louisiana	10,434	1.91	195.5 / 5	9	2.309	0.52	27.0 / 39
Maine	1,460	1.03	105.3 / 27	1	1.65	1.42	137.9 / 15
Maryland	4,999	0.93	95.6 / 28	4	0.338	0.08	8.3 / 47
Massachusetts	7,953	1.12	114.7 / 26	7	0.564	0.10	8.7 / 46
Michigan	13,415	1.21	123.9 / 23	11	20.017	2.20	182.1 / 9
Minnesota	3,055	0.60	61.2 / 39	3	0.494	0.12	19.7 / 40
Mississippi	1,269	0.40	40.8 / 46	1	2.544	0.97	244.7 / 5
Missouri	8,368	1.36	139.7 / 17	7	2.208	0.44	32.2 / 38
Montana	1,829	1.81	185.9 / 7	1	1.411	1.71	94.1 / 24
Nebraska	3,049	1.56	159.4 / 9	2	0.248	0.15	9.9 / 45
Nevada	2,310	2.02	207.2 / 4	2	0.023	0.02	1.2 / 49
New Hampshire	1,677	1.38	141.0 / 16	1	2.063	2.07	150.2 / 13
New Jersey	11,066	1.20	122.9 / 24	9	3.975	0.53	43.8 / 37
New Mexico	1,349	0.76	78.1 / 34	1	0.807	0.56	73.0 / 29
New York	27,770	1.28	131.1 / 20	23	31.788	1.79	139.7 / 14
North Carolina	1,684	0.22	22.6 / 50	1	2.255	0.36	163.4 / 11
North Dakota	1,740	2.08	213.3 / 3	1	0.245	0.36	17.2 / 41
Ohio	12,147	0.93	94.9 / 29	10	15.817	1.47	158.9 / 12
Oklahoma	857	0.21	21.8 / 51	1	1.761	0.53	250.9 / 4
Oregon	1,825	0.56	57.0 / 41	1	1.303	0.48	87.1 / 26
Pennsylvania	19,590	1.35	138.8 / 18	16	11.468	0.97	71.4 / 30
Rhode Island	1,753	1.48	152.0 / 15	1	0.155	0.16	10.8 / 44
South Carolina	3,103	0.76	77.8 / 35	3	1.446	0.43	56.9 / 33
South Dakota	1,482	1.71	175.7 / 8	1	0.208	0.29	17.1 / 42
Tennessee	1,625	0.28	28.7 / 48	1	1.424	0.30	106.9 / 22
Texas	12,050	0.60	61.8 / 38	10	25.905	1.58	262.3 / 2
Utah	461	0.23	23.5 / 49	0	0.283	0.17	74.9 / 28
Vermont	1,233	1.89	193.4 / 6	1	0.526	0.98	52.1 / 35
Virginia	2,135	0.31	31.4 / 47	2	3.527	0.62	201.6 / 7
Washington	3,051	0.57	58.1 / 40	2	7.057	1.60	282.3 / 1
West Virginia	1,481	0.63	64.2 / 36	1	2.298	1.19	189.4 / 8
Wisconsin	14,830	2.55	260.8 / 2	12	0.213	0.04	1.8 / 48
Wyoming	928	1.49	153.1 / 12	1	0	0.00	0.0 / Z
U.S. Total	284,345	$0.98	100.0	$233	$233	$0.98	100.0

NOTE: All per capita amounts are in dollars; total amounts are in millions of dollars.
Representative Rate = $819.49 per license.
*Tax base is the number of licenses for the sale of distilled spirits.
Z = Zero revenue reported.
Source: ACIR staff estimates.

Table 3-20

License Taxes: Motor Vehicle Registrations, Total—1985

State	Tax Base*	Capacity Per Capita	Tax Capacity Index/Rank	Tax Capacity	Tax Revenue	Revenue Per Capita	Tax Effort Index/Rank
Alabama		$39.59	125.0 / 11	$159	$74	$18.33	46.3 / 49
Alaska		33.87	106.9 / 22	18	15	29.33	86.6 / 33
Arizona		33.26	105.0 / 25	106	149	46.80	140.7 / 10
Arkansas		29.41	92.8 / 40	69	71	30.04	102.1 / 25
California		31.28	98.7 / 34	825	553	20.97	67.0 / 42
Colorado		39.50	124.7 / 12	128	84	26.02	65.9 / 45
Connecticut		28.05	88.5 / 43	89	103	32.31	115.2 / 16
Delaware		32.19	101.6 / 32	20	35	55.73	173.1 / 2
Washington, DC		17.82	56.3 / 51	11	18	28.87	162.0 / 4
Florida		36.86	116.3 / 16	419	327	28.81	78.2 / 37
Georgia		35.36	111.6 / 19	211	65	10.87	30.8 / 51
Hawaii		24.03	75.8 / 49	25	29	27.33	113.7 / 17
Idaho		42.53	134.2 / 6	43	32	31.40	73.8 / 39
Illinois		29.15	92.0 / 42	336	629	54.50	186.9 / 1
Indiana		33.29	105.1 / 24	183	115	21.00	63.1 / 46
Iowa		43.69	137.9 / 4	126	142	49.31	112.9 / 19
Kansas		42.47	134.0 / 7	104	77	31.50	74.2 / 38
Kentucky		33.66	106.2 / 23	125	105	28.21	83.8 / 34
Louisiana		32.35	102.1 / 31	145	63	14.03	43.4 / 50
Maine		32.69	103.2 / 28	38	43	36.73	112.4 / 20
Maryland		30.95	97.7 / 36	136	93	21.23	68.6 / 41
Massachusetts		25.17	79.5 / 47	147	117	20.07	79.7 / 36
Michigan		31.62	99.8 / 33	287	298	32.80	103.7 / 23
Minnesota		35.37	111.6 / 18	148	237	56.64	160.1 / 5
Mississippi		29.64	93.6 / 38	77	54	20.75	70.0 / 40
Missouri		32.72	103.3 / 27	165	171	33.93	103.7 / 24
Montana		40.53	127.9 / 9	33	42	50.56	124.8 / 13
Nebraska		38.43	121.3 / 14	62	61	38.10	99.1 / 26
Nevada		34.60	109.2 / 20	32	37	39.11	113.1 / 18
New Hampshire		40.09	126.5 / 10	40	36	35.91	89.6 / 31
New Jersey		24.14	76.2 / 48	183	313	41.34	171.2 / 3
New Mexico		40.65	128.3 / 8	59	39	27.23	67.0 / 43
New York		19.92	62.9 / 50	354	518	29.11	146.1 / 7
North Carolina		32.48	102.5 / 30	203	192	30.69	94.5 / 28
North Dakota		50.69	160.0 / 2	35	32	46.83	92.4 / 30
Ohio		31.14	98.3 / 35	335	348	32.39	104.0 / 22
Oklahoma		43.24	136.5 / 5	143	190	57.53	133.0 / 12
Oregon		38.49	121.5 / 13	103	142	52.84	137.3 / 11
Pennsylvania		25.51	80.5 / 45	302	377	31.80	124.7 / 14
Rhode Island		25.40	80.2 / 46	25	24	24.35	95.8 / 27
South Carolina		29.59	93.4 / 39	99	48	14.45	48.9 / 48
South Dakota		46.63	147.2 / 3	33	22	30.76	66.0 / 44
Tennessee		34.12	107.7 / 21	162	151	31.74	93.0 / 29
Texas		36.05	113.8 / 17	590	625	38.17	105.9 / 21
Utah		32.61	102.9 / 29	54	32	19.34	59.3 / 47
Vermont		33.13	104.6 / 26	18	28	52.33	158.0 / 6
Virginia		29.88	94.3 / 37	171	248	43.52	145.6 / 8
Washington		37.85	119.5 / 15	167	137	30.98	81.8 / 35
West Virginia		27.84	87.9 / 44	54	63	32.59	117.1 / 15
Wisconsin		29.31	92.5 / 41	140	123	25.74	87.8 / 32
Wyoming		51.95	164.0 / 1	26	38	75.50	145.3 / 9
U.S. Total		$31.68	100.0	$7,564	$7,564	$31.68	100.0

NOTE: All per capita amounts are in dollars; total amounts are in millions of dollars.
*No combined tax base can be reported; see tables for automobile and truck registrations.
Source: ACIR staff estimates.

Table 3-21

License Taxes: Motor Vehicle Registrations, Automobile—1985

State	Tax Base*	Capacity Per Capita	Tax Capacity Index/Rank	Tax Capacity	Tax Revenue	Revenue Per Capita	Tax Effort Index/Rank
Alabama	2,331	$19.73	105.6 / 14	$79	$31	$7.64	38.7 / 48
Alaska	217	14.18	75.9 / 49	7	7	14.18	100.0 / 24
Arizona	1,569	16.75	89.6 / 42	53	67	21.11	126.0 / 15
Arkansas	895	12.92	69.1 / 51	30	35	15.05	116.5 / 17
California	14,584	18.83	100.8 / 24	496	390	14.79	78.5 / 35
Colorado	2,008	21.15	113.2 / 8	68	47	14.53	68.7 / 40
Connecticut	2,297	24.63	131.8 / 2	78	76	23.97	97.3 / 25
Delaware	365	19.97	106.9 / 12	12	20	31.96	160.1 / 6
Washington, DC	303	16.50	88.3 / 43	10	17	26.94	163.3 / 5
Florida	7,769	23.27	124.5 / 3	264	220	19.38	83.3 / 33
Georgia	3,347	19.06	102.0 / 18	114	28	4.76	25.0 / 50
Hawaii	565	18.24	97.6 / 28	19	23	22.19	121.7 / 16
Idaho	528	17.87	95.6 / 31	18	17	16.85	94.3 / 28
Illinois	6,039	17.82	95.4 / 32	206	349	30.27	169.9 / 4
Indiana	2,973	18.40	98.5 / 26	101	40	7.20	39.1 / 47
Iowa	1,929	22.76	121.8 / 4	66	85	29.52	129.7 / 13
Kansas	1,467	20.38	109.1 / 11	50	28	11.30	55.5 / 44
Kentucky	1,755	16.03	85.8 / 45	60	43	11.57	72.2 / 39
Louisiana	2,045	15.54	83.1 / 46	70	16	3.58	23.1 / 51
Maine	616	18.01	96.4 / 30	21	20	17.22	95.6 / 26
Maryland	2,711	21.01	112.4 / 9	92	67	15.17	72.2 / 38
Massachusetts	3,256	19.03	101.9 / 21	111	71	12.25	64.4 / 42
Michigan	5,317	19.91	106.6 / 13	181	184	20.20	101.4 / 23
Minnesota	2,614	21.22	113.5 / 7	89	165	39.35	185.5 / 2
Mississippi	1,321	17.21	92.1 / 39	45	22	8.42	48.9 / 46
Missouri	2,616	17.70	94.7 / 33	89	84	16.64	94.0 / 29
Montana	389	16.04	85.8 / 44	13	13	15.25	95.1 / 27
Nebraska	828	17.54	93.9 / 35	28	21	13.39	76.3 / 36
Nevada	503	18.28	97.8 / 27	17	25	27.23	149.0 / 9
New Hampshire	811	27.65	148.0 / 1	28	26	25.81	93.4 / 30
New Jersey	4,366	19.65	105.2 / 15	149	221	29.24	148.8 / 10
New Mexico	735	17.26	92.4 / 38	25	26	17.75	102.8 / 21
New York	7,841	15.01	80.3 / 48	267	402	22.63	150.8 / 8
North Carolina	3,227	17.56	94.0 / 34	110	89	14.28	81.3 / 34
North Dakota	378	18.78	100.5 / 25	13	13	19.67	104.7 / 20
Ohio	6,722	21.30	114.0 / 6	229	212	19.72	92.6 / 31
Oklahoma	1,846	19.03	101.9 / 22	63	142	43.04	226.1 / 1
Oregon	1,543	19.55	104.6 / 16	53	71	26.47	135.4 / 11
Pennsylvania	5,854	16.81	90.0 / 41	199	222	18.73	111.4 / 19
Rhode Island	516	18.15	97.1 / 29	18	16	16.63	91.6 / 32
South Carolina	1,676	17.04	91.2 / 40	57	20	6.06	35.5 / 49
South Dakota	402	19.33	103.4 / 17	14	9	12.09	62.6 / 43
Tennessee	2,921	20.88	111.7 / 10	99	65	13.70	65.6 / 41
Texas	8,431	17.53	93.8 / 36	287	326	19.94	113.8 / 18
Utah	732	15.14	81.0 / 47	25	12	7.43	49.1 / 45
Vermont	299	19.05	102.0 / 20	10	16	29.44	154.5 / 7
Virginia	3,616	21.57	115.4 / 5	123	159	27.86	129.2 / 14
Washington	2,468	19.06	102.0 / 19	84	86	19.43	102.0 / 22
West Virginia	800	14.06	75.3 / 50	27	36	18.78	133.6 / 12
Wisconsin	2,447	17.44	93.3 / 37	83	62	12.96	74.3 / 37
Wyoming	283	18.90	101.1 / 23	10	17	32.66	172.8 / 3
U.S. Total	131,067	$18.69	100.0	$4,461	$4,461	$18.69	100.0

NOTE: All per capita amounts are in dollars; total amounts are in millions of dollars.
Representative Rate = $34.04 per registration.
*Tax base is automobile registrations in thousands.
Source: ACIR staff estimates.

Table 3-22

License Taxes: Motor Vehicle Registrations, Trucks—1985

State	Tax Base*	Capacity Per Capita	Tax Capacity Index/Rank	Tax Capacity	Tax Revenue	Revenue Per Capita	Tax Effort Index/Rank
Alabama	964	$19.86	152.8 / 11	$80	$43	$10.69	53.8 / 48
Alaska	124	19.69	151.5 / 12	10	8	15.15	76.9 / 36
Arizona	635	16.51	127.0 / 20	53	82	25.68	155.6 / 7
Arkansas	470	16.49	126.9 / 21	39	35	14.99	90.9 / 32
California	3,961	12.45	95.8 / 34	328	163	6.18	49.7 / 49
Colorado	715	18.35	141.2 / 16	59	37	11.49	62.6 / 42
Connecticut	131	3.42	26.4 / 50	11	26	8.35	243.7 / 2
Delaware	92	12.22	94.0 / 37	8	15	23.77	194.5 / 4
Washington, DC	10	1.33	10.2 / 51	1	1	1.93	145.5 / 9
Florida	1,864	13.59	104.6 / 31	154	107	9.43	69.4 / 38
Georgia	1,175	16.29	125.4 / 23	97	37	6.12	37.5 / 51
Hawaii	74	5.79	44.5 / 47	6	5	5.13	88.7 / 33
Idaho	299	24.67	189.8 / 4	25	15	14.55	59.0 / 47
Illinois	1,578	11.33	87.2 / 40	131	279	24.22	213.7 / 3
Indiana	988	14.89	114.6 / 26	82	76	13.80	92.7 / 30
Iowa	729	20.93	161.1 / 9	60	57	19.79	94.6 / 28
Kansas	653	22.09	170.0 / 8	54	49	20.20	91.4 / 31
Kentucky	793	17.63	135.7 / 17	66	62	16.64	94.4 / 29
Louisiana	909	16.81	129.3 / 19	75	47	10.44	62.1 / 43
Maine	206	14.67	112.9 / 27	17	23	19.51	133.0 / 13
Maryland	527	9.94	76.5 / 41	44	27	6.06	61.0 / 45
Massachusetts	431	6.14	47.2 / 46	36	45	7.81	127.3 / 17
Michigan	1,285	11.71	90.1 / 39	106	115	12.60	107.6 / 23
Minnesota	716	14.16	108.9 / 28	59	72	17.29	122.1 / 18
Mississippi	392	12.43	95.7 / 36	32	32	12.33	99.2 / 26
Missouri	912	15.02	115.6 / 24	76	87	17.29	115.1 / 20
Montana	244	24.49	188.4 / 5	20	29	35.31	144.2 / 10
Nebraska	405	20.89	160.7 / 10	34	40	24.72	118.3 / 19
Nevada	184	16.32	125.6 / 22	15	11	11.88	72.8 / 37
New Hampshire	150	12.45	95.8 / 35	12	10	10.10	81.2 / 35
New Jersey	410	4.49	34.6 / 49	34	92	12.10	269.4 / 1
New Mexico	409	23.39	180.0 / 7	34	14	9.48	40.5 / 50
New York	1,055	4.92	37.8 / 48	87	115	6.48	131.9 / 14
North Carolina	1,127	14.93	114.9 / 25	93	103	16.42	110.0 / 21
North Dakota	264	31.91	245.6 / 2	22	19	27.16	85.1 / 34
Ohio	1,277	9.85	75.8 / 42	106	136	12.67	128.7 / 16
Oklahoma	964	24.20	186.2 / 6	80	48	14.49	59.9 / 46
Oregon	614	18.94	145.7 / 13	51	71	26.37	139.2 / 11
Pennsylvania	1,245	8.70	67.0 / 43	103	155	13.07	150.2 / 8
Rhode Island	85	7.25	55.8 / 45	7	7	7.72	106.4 / 24
South Carolina	507	12.55	96.5 / 33	42	28	8.40	66.9 / 41
South Dakota	233	27.30	210.1 / 3	19	13	18.67	68.4 / 39
Tennessee	761	13.24	101.9 / 32	63	86	18.03	136.2 / 12
Texas	3,658	18.52	142.5 / 15	303	298	18.22	98.4 / 27
Utah	347	17.47	134.4 / 18	29	20	11.91	68.2 / 40
Vermont	91	14.08	108.3 / 29	8	12	22.89	162.6 / 6
Virginia	572	8.31	64.0 / 44	47	89	15.66	188.3 / 5
Washington	1,000	18.80	144.6 / 14	83	51	11.55	61.4 / 44
West Virginia	322	13.78	106.0 / 30	27	27	13.81	100.2 / 25
Wisconsin	684	11.87	91.3 / 38	57	61	12.78	107.7 / 22
Wyoming	203	33.05	254.3 / 1	17	22	42.83	129.6 / 15
U.S. Total	37,445	$13.00	100.0	$3,103	$3,103	$13.00	100.0

NOTE:All per capita amounts are in dollars; total amounts are in millions of dollars.
Representative Rate = $82.86 per registration.
*Tax base is truck registrations in thousands.
Source: ACIR staff estimates.

Table 3-23

Personal Income Taxes—1985

State	Tax Base*	Capacity Per Capita	Tax Capacity Index/Rank	Tax Capacity	Tax Revenue	Revenue Per Capita	Tax Effort Index/Rank
Alabama	4,167	$198.24	67.5 / 43	$797	$751	$186.85	94.3 / 29
Alaska	1,219	447.53	152.4 / 2	233	1	2.43	0.5 / 45
Arizona	4,289	257.45	87.7 / 28	820	609	190.97	74.2 / 35
Arkansas	2,195	177.99	60.6 / 49	420	471	199.85	112.3 / 24
California	46,372	336.46	114.6 / 10	8,871	10,762	408.20	121.3 / 19
Colorado	5,122	303.26	103.3 / 16	980	908	280.91	92.6 / 30
Connecticut	7,585	457.14	155.7 / 1	1,451	292	91.88	20.1 / 42
Delaware	1,110	341.36	116.3 / 8	212	383	615.58	180.3 / 4
Washington, DC	1,389	424.57	144.6 / 3	266	418	666.95	157.1 / 7
Florida	18,081	304.30	103.6 / 15	3,459	0	0.00	0.0 / Z
Georgia	8,121	259.96	88.5 / 27	1,554	1,718	287.54	110.6 / 25
Hawaii	1,443	261.84	89.2 / 25	276	429	407.40	155.6 / 8
Idaho	945	179.89	61.3 / 47	181	258	256.95	142.8 / 10
Illinois	19,346	320.83	109.3 / 11	3,701	2,601	225.48	70.3 / 36
Indiana	7,058	245.54	83.6 / 30	1,350	1,369	248.96	101.4 / 28
Iowa	3,192	211.72	72.1 / 39	611	825	285.91	135.0 / 15
Kansas	3,430	267.80	91.2 / 24	656	603	246.31	92.0 / 31
Kentucky	3,816	195.90	66.7 / 44	730	980	263.10	134.3 / 16
Louisiana	5,113	218.28	74.3 / 37	978	527	117.54	53.8 / 39
Maine	1,313	215.78	73.5 / 38	251	297	255.35	118.3 / 21
Maryland	8,557	372.70	126.9 / 7	1,637	2,593	590.40	158.4 / 6
Massachusetts	11,604	381.29	129.9 / 5	2,220	3,159	542.59	142.3 / 11
Michigan	14,686	309.14	105.3 / 14	2,809	3,393	373.34	120.8 / 20
Minnesota	6,240	284.69	97.0 / 18	1,194	2,233	532.67	187.1 / 2
Mississippi	2,071	151.63	51.6 / 51	396	259	99.29	65.5 / 37
Missouri	7,221	274.69	93.6 / 21	1,381	1,206	239.72	87.3 / 33
Montana	811	187.89	64.0 / 46	155	181	219.20	116.7 / 22
Nebraska	1,971	234.79	80.0 / 33	377	319	198.54	84.6 / 34
Nevada	1,653	337.82	115.1 / 9	316	0	0.00	0.0 / Z
New Hampshire	1,665	319.17	108.7 / 12	319	24	24.53	7.7 / 43
New Jersey	16,291	412.11	140.4 / 4	3,116	1,937	256.15	62.2 / 38
New Mexico	1,576	207.90	70.8 / 41	301	85	58.61	28.2 / 41
New York	35,161	378.23	128.8 / 6	6,726	12,160	683.80	180.8 / 3
North Carolina	7,458	228.09	77.7 / 35	1,427	2,023	323.50	141.8 / 12
North Dakota	751	209.78	71.4 / 40	144	76	111.21	53.0 / 40
Ohio	15,209	270.79	92.2 / 23	2,909	3,965	369.08	136.3 / 13
Oklahoma	4,173	241.82	82.4 / 31	798	727	220.27	91.1 / 32
Oregon	3,369	239.88	81.7 / 32	645	1,311	487.80	203.4 / 1
Pennsylvania	17,027	274.80	93.6 / 20	3,257	4,011	338.39	123.1 / 18
Rhode Island	1,377	272.03	92.7 / 22	263	282	291.06	107.0 / 27
South Carolina	3,477	198.70	67.7 / 42	665	851	254.20	127.9 / 17
South Dakota	619	167.23	57.0 / 50	118	0	0.00	0.0 / Z
Tennessee	5,562	223.44	76.1 / 36	1,064	62	12.98	5.8 / 44
Texas	25,821	301.73	102.8 / 17	4,939	0	0.00	0.0 / Z
Utah	1,667	193.80	66.0 / 45	319	431	261.83	135.1 / 14
Vermont	655	234.11	79.7 / 34	125	145	271.31	115.9 / 23
Virginia	9,285	311.28	106.0 / 13	1,776	1,948	341.43	109.7 / 26
Washington	6,432	279.07	95.0 / 19	1,230	0	0.00	0.0 / Z
West Virginia	1,811	178.91	60.9 / 48	346	503	259.91	145.3 / 9
Wisconsin	6,235	249.79	85.1 / 29	1,193	2,009	420.76	168.4 / 5
Wyoming	694	260.65	88.8 / 26	133	0	0.00	0.0 / Z
U.S. Total	366,435	$293.61	100.0	$70,097	$70,097	$293.61	100.0

NOTE: All per capita amounts are in dollars; total amounts are in millions of dollars.
Representative Rate = 19.1%.
*Tax base is federal income tax liability adjusted for deductibility in millions of dollars.
Z = Zero revenue reported.
Source: ACIR staff estimates.

Table 3-24

Corporation Net Income Taxes—1985

State	Tax Base*	Capacity Per Capita	Tax Capacity Index/Rank	Tax Capacity	Tax Revenue	Revenue Per Capita	Tax Effort Index/Rank
Alabama	$2,671	$63.85	80.2 / 43	$257	$212	$52.79	82.7 / 24
Alaska	752	138.79	174.3 / 2	72	50	96.55	69.6 / 34
Arizona	1,996	60.22	75.6 / 48	192	202	63.48	105.4 / 14
Arkansas	1,543	62.89	79.0 / 44	148	130	55.21	87.8 / 21
California	23,019	83.93	105.4 / 13	2,213	3,658	138.75	165.3 / 6
Colorado	2,799	83.28	104.6 / 15	269	102	31.46	37.8 / 47
Connecticut	2,877	87.12	109.4 / 8	277	490	154.22	177.0 / 3
Delaware	704	108.80	136.6 / 3	68	77	123.89	113.9 / 11
Washington, DC	1,382	212.20	266.4 / 1	133	117	187.56	88.4 / 20
Florida	7,379	62.41	78.4 / 45	709	454	39.95	64.0 / 37
Georgia	4,907	78.93	99.1 / 22	472	418	69.99	88.7 / 19
Hawaii	911	83.04	104.3 / 17	88	49	46.22	55.7 / 39
Idaho	634	60.60	76.1 / 47	61	43	42.47	70.1 / 33
Illinois	9,980	83.16	104.4 / 16	959	706	61.21	73.6 / 31
Indiana	4,500	78.66	98.8 / 24	433	178	32.43	41.2 / 43
Iowa	1,937	64.55	81.1 / 40	186	154	53.54	82.9 / 23
Kansas	2,152	84.44	106.0 / 12	207	160	65.17	77.2 / 28
Kentucky	2,765	71.32	89.6 / 34	266	211	56.71	79.5 / 26
Louisiana	3,972	85.20	107.0 / 11	382	294	65.52	76.9 / 29
Maine	836	69.02	86.7 / 35	80	54	45.99	66.6 / 35
Maryland	3,405	74.53	93.6 / 30	327	246	56.04	75.2 / 30
Massachusetts	4,886	80.68	101.3 / 19	470	851	146.22	181.2 / 2
Michigan	8,402	88.88	111.6 / 6	808	1,392	153.15	172.3 / 4
Minnesota	3,642	83.49	104.8 / 14	350	383	91.41	109.5 / 12
Mississippi	1,556	57.24	71.9 / 50	150	106	40.75	71.2 / 32
Missouri	4,336	82.88	104.1 / 18	417	161	31.93	38.5 / 46
Montana	632	73.49	92.3 / 31	61	63	75.87	103.2 / 15
Nebraska	1,247	74.66	93.7 / 29	120	49	30.49	40.8 / 44
Nevada	742	76.25	95.7 / 27	71	0	0.00	0.0 / Z
New Hampshire	704	67.78	85.1 / 37	68	95	95.61	141.1 / 7
New Jersey	7,515	95.53	119.9 / 4	722	923	122.08	127.8 / 8
New Mexico	1,024	67.92	85.3 / 36	98	64	44.18	65.0 / 36
New York	15,918	86.04	108.0 / 9	1,530	3,274	184.10	214.0 / 1
North Carolina	5,065	77.85	97.7 / 25	487	490	78.38	100.7 / 17
North Dakota	518	72.67	91.2 / 32	50	84	123.28	169.6 / 5
Ohio	8,992	80.46	101.0 / 20	864	437	40.69	50.6 / 40
Oklahoma	2,753	80.16	100.6 / 21	265	105	31.66	39.5 / 45
Oregon	2,023	72.38	90.9 / 33	194	154	57.25	79.1 / 27
Pennsylvania	9,709	78.74	98.9 / 23	933	943	79.56	101.0 / 16
Rhode Island	643	63.90	80.2 / 42	62	71	72.83	114.0 / 10
South Carolina	2,243	64.43	80.9 / 41	216	200	59.69	92.6 / 18
South Dakota	413	56.07	70.4 / 51	40	17	23.92	42.7 / 42
Tennessee	3,306	66.75	83.8 / 39	318	259	54.43	81.5 / 25
Texas	14,845	87.17	109.5 / 7	1,427	0	0.00	0.0 / Z
Utah	1,159	67.71	85.0 / 38	111	52	31.73	46.9 / 41
Vermont	342	61.45	77.2 / 46	33	35	65.34	106.3 / 13
Virginia	5,107	86.03	108.0 / 10	491	288	50.43	58.6 / 38
Washington	3,523	76.82	96.5 / 26	339	0	0.00	0.0 / Z
West Virginia	1,212	60.16	75.5 / 49	116	99	51.02	84.8 / 22
Wisconsin	3,718	74.84	94.0 / 28	357	414	86.63	115.7 / 9
Wyoming	504	95.24	119.6 / 5	48	0	0.00	0.0 / Z
U.S. Total	$197,801	$79.64	100.0	$19,014	$19,014	$79.64	100.0

NOTE:All per capita amounts are in dollars; total amounts are in millions of dollars.
Representative Rate = 9.61%.
*Tax base is apportioned corporate profits in millions of dollars.
Z = Zero revenue reported.
Source: ACIR staff estimates.

Table 3-25

All Property Taxes—1985

State	Tax Base*	Capacity Per Capita	Tax Capacity Index/Rank	Tax Capacity	Tax Revenue	Revenue Per Capita	Tax Effort Index/Rank
Alabama		$307.71	70.7 / 49	$1,237	$466	$115.91	37.7 / 50
Alaska		482.79	111.0 / 12	252	558	1,071.61	222.0 / 1
Arizona		517.17	118.9 / 8	1,648	1,167	366.31	70.8 / 38
Arkansas		299.74	68.9 / 50	707	409	173.46	57.9 / 45
California		613.44	141.0 / 4	16,173	11,094	420.79	68.6 / 40
Colorado		615.53	141.5 / 3	1,989	1,601	495.50	80.5 / 31
Connecticut		601.63	138.3 / 6	1,910	2,231	702.93	116.8 / 19
Delaware		608.24	139.8 / 5	378	127	203.74	33.5 / 51
Washington, DC		492.91	113.3 / 10	309	455	726.99	147.5 / 7
Florida		434.12	99.8 / 20	4,934	4,301	378.39	87.2 / 29
Georgia		368.82	84.8 / 38	2,204	1,759	294.40	79.8 / 32
Hawaii		685.48	157.5 / 1	722	309	293.21	42.8 / 48
Idaho		381.68	87.7 / 35	384	280	278.34	72.9 / 35
Illinois		399.14	91.7 / 28	4,604	6,095	528.40	132.4 / 13
Indiana		346.12	79.5 / 43	1,903	2,072	376.81	108.9 / 22
Iowa		386.21	88.8 / 32	1,114	1,525	528.77	136.9 / 11
Kansas		404.84	93.0 / 27	992	1,221	498.24	123.1 / 15
Kentucky		310.11	71.3 / 48	1,155	679	182.35	58.8 / 44
Louisiana		395.58	90.9 / 29	1,773	791	176.56	44.6 / 47
Maine		414.76	95.3 / 23	483	549	471.59	113.7 / 20
Maryland		427.20	98.2 / 22	1,876	1,786	406.54	95.2 / 26
Massachusetts		480.82	110.5 / 13	2,799	3,305	567.62	118.1 / 18
Michigan		366.99	84.3 / 39	3,335	5,632	619.72	168.9 / 3
Minnesota		454.85	104.5 / 15	1,907	2,118	505.04	111.0 / 21
Mississippi		298.30	68.6 / 51	779	547	209.25	70.1 / 39
Missouri		335.76	77.2 / 45	1,689	1,211	240.88	71.7 / 37
Montana		375.28	86.2 / 37	310	520	629.06	167.6 / 4
Nebraska		439.94	101.1 / 17	707	882	549.17	124.8 / 14
Nevada		439.53	101.0 / 18	411	296	315.94	71.9 / 36
New Hampshire		492.10	113.1 / 11	491	691	692.72	140.8 / 8
New Jersey		513.90	118.1 / 9	3,886	5,424	717.22	139.6 / 9
New Mexico		360.11	82.8 / 41	522	218	150.00	41.7 / 49
New York		406.32	93.4 / 26	7,226	12,238	688.20	169.4 / 2
North Carolina		382.31	87.9 / 34	2,391	1,542	246.45	64.5 / 42
North Dakota		383.81	88.2 / 33	263	233	339.82	88.5 / 28
Ohio		386.31	88.8 / 31	4,151	4,026	374.72	97.0 / 24
Oklahoma		406.41	93.4 / 25	1,342	745	225.65	55.5 / 46
Oregon		461.73	106.1 / 14	1,241	1,662	618.43	133.9 / 12
Pennsylvania		390.80	89.8 / 30	4,632	4,346	366.66	93.8 / 27
Rhode Island		359.20	82.6 / 42	348	569	587.90	163.7 / 6
South Carolina		320.90	73.8 / 46	1,074	802	239.51	74.6 / 34
South Dakota		375.94	86.4 / 36	266	324	458.20	121.9 / 16
Tennessee		337.10	77.5 / 44	1,605	1,038	218.04	64.7 / 41
Texas		440.27	101.2 / 16	7,207	7,623	465.69	105.8 / 23
Utah		360.69	82.9 / 40	593	569	345.81	95.9 / 25
Vermont		439.10	100.9 / 19	235	283	529.71	120.6 / 17
Virginia		427.41	98.2 / 21	2,439	2,089	366.10	85.7 / 30
Washington		538.62	123.8 / 7	2,375	1,812	410.87	76.3 / 33
West Virginia		317.31	72.9 / 47	614	385	198.86	62.7 / 43
Wisconsin		409.65	94.1 / 24	1,956	2,714	568.36	138.7 / 10
Wyoming		661.71	152.1 / 2	337	561	1,101.87	166.5 / 5
U.S. Total		$435.11	100.0	$103,878	$103,878	$435.11	100.0

NOTE: All per capita amounts are in dollars; total amounts are in millions of dollars.
*No combined tax base can be reported; see tables for particular property taxes.
Source: ACIR staff estimates.

Table 3-26

Property Taxes: Residential and Farm—1985

State	RESIDENTIAL Tax Base*	Capacity Per Capita	Tax Capacity Index/Rank	Tax Capacity	FARM Tax Base*	Capacity Per Capita	Tax Capacity Index/Rank	Tax Capacity
Alabama	$40,790	$161.27	61.0 / 45	$648	$8,844	$14.04	76.1 / 29	$56.5
Alaska	9,864	300.99	113.9 / 15	157	215	2.64	14.3 / 48	1.4
Arizona	73,661	367.45	139.0 / 6	1,171	9,938	19.91	107.9 / 24	63.5
Arkansas	19,753	133.12	50.4 / 50	314	13,584	36.77	199.2 / 10	86.7
California	731,255	440.94	166.8 / 2	11,625	56,613	13.71	74.3 / 31	361.5
Colorado	87,901	432.51	163.7 / 3	1,397	14,964	29.57	160.2 / 14	95.6
Connecticut	84,873	425.11	160.9 / 4	1,349	1,444	2.91	15.7 / 45	9.2
Delaware	14,514	370.96	140.4 / 5	231	1,067	10.95	59.3 / 36	6.8
Washington, DC	13,038	331.11	125.3 / 11	207	0	0.00	0.0 / B	0.0
Florida	221,450	309.75	117.2 / 13	3,521	19,851	11.15	60.4 / 35	126.8
Georgia	80,595	214.41	81.1 / 31	1,281	11,678	12.48	67.6 / 33	74.6
Hawaii	37,818	570.42	215.8 / 1	601	2,912	17.64	95.6 / 28	18.6
Idaho	12,886	203.83	77.1 / 33	205	11,010	69.95	379.0 / 7	70.3
Illinois	155,711	214.61	81.2 / 30	2,475	37,712	20.88	113.1 / 22	240.8
Indiana	55,988	161.86	61.2 / 44	890	20,648	23.98	129.9 / 18	131.8
Iowa	33,368	183.94	69.6 / 38	530	35,750	79.15	428.8 / 5	228.3
Kansas	27,126	176.02	66.6 / 41	431	22,368	58.30	315.8 / 8	142.8
Kentucky	33,095	141.21	53.4 / 49	526	13,137	22.51	122.0 / 20	83.9
Louisiana	53,920	191.30	72.4 / 36	857	12,685	18.08	97.9 / 26	81.0
Maine	21,692	296.27	112.1 / 18	345	1,301	7.14	38.7 / 41	8.3
Maryland	82,554	298.82	113.1 / 17	1,312	5,557	8.08	43.8 / 40	35.5
Massachusetts	120,838	329.97	124.9 / 12	1,921	1,613	1.77	9.6 / 49	10.3
Michigan	116,077	203.06	76.8 / 34	1,845	11,993	8.43	45.7 / 39	76.6
Minnesota	70,852	268.64	101.7 / 21	1,126	25,019	38.10	206.4 / 9	159.8
Mississippi	25,748	156.65	59.3 / 46	409	11,857	28.97	157.0 / 15	75.7
Missouri	51,602	163.13	61.7 / 43	820	20,297	25.77	139.6 / 16	129.6
Montana	7,559	145.49	55.1 / 48	120	13,520	104.52	566.2 / 2	86.3
Nebraska	22,477	222.51	84.2 / 28	357	20,957	83.32	451.4 / 4	133.8
Nevada	17,083	290.15	109.8 / 19	272	2,015	13.75	74.5 / 30	12.9
New Hampshire	22,260	354.60	134.2 / 8	354	766	4.90	26.6 / 44	4.9
New Jersey	158,207	332.61	125.9 / 10	2,515	3,349	2.83	15.3 / 46	21.4
New Mexico	17,298	189.66	71.8 / 37	275	7,335	32.30	175.0 / 13	46.8
New York	271,011	242.28	91.7 / 24	4,309	7,434	2.67	14.5 / 47	47.5
North Carolina	89,270	226.89	85.9 / 26	1,419	13,414	13.69	74.2 / 32	85.7
North Dakota	5,207	120.86	45.7 / 51	83	14,724	137.25	743.6 / 1	94.0
Ohio	146,669	217.03	82.1 / 29	2,332	17,791	10.57	57.3 / 37	113.6
Oklahoma	39,764	191.51	72.5 / 35	632	18,678	36.13	195.7 / 11	119.3
Oregon	50,786	300.48	113.7 / 16	807	10,422	24.77	134.2 / 17	66.5
Pennsylvania	170,816	229.11	86.7 / 25	2,716	13,137	7.08	38.3 / 42	83.9
Rhode Island	14,754	242.31	91.7 / 23	235	243	1.60	8.7 / 50	1.6
South Carolina	38,081	180.88	68.4 / 40	605	4,944	9.43	51.1 / 38	31.6
South Dakota	7,804	175.24	66.3 / 42	124	11,125	100.34	543.6 / 3	71.0
Tennessee	54,701	182.62	69.1 / 39	870	13,159	17.64	95.6 / 27	84.0
Texas	214,479	208.29	78.8 / 32	3,410	88,868	34.66	187.8 / 12	567.5
Utah	23,165	223.88	84.7 / 27	368	5,962	23.14	125.4 / 19	38.1
Vermont	10,359	307.84	116.5 / 14	165	1,627	19.42	105.2 / 25	10.4
Virginia	103,585	288.60	109.2 / 20	1,647	10,474	11.72	63.5 / 34	66.9
Washington	101,363	365.49	138.3 / 7	1,611	15,045	21.79	118.0 / 21	96.1
West Virginia	18,335	150.56	57.0 / 47	291	1,939	6.40	34.6 / 43	12.4
Wisconsin	75,907	252.72	95.6 / 22	1,207	14,992	20.05	108.6 / 23	95.7
Wyoming	10,727	335.04	126.8 / 9	171	6,160	77.28	418.6 / 6	39.3
U.S. Total	$3,968,640	$264.28	100.0	$63,093	$690,138	$18.46	100.0	$4,406.8

NOTE: All per capita amounts are in dollars; total amounts are in millions of dollars.
Representative Rates = 1.59% and 0.64%.
*Tax bases are the estimated market values of residential and farm properties in millions of dollars.
Source: ACIR staff estimates.

Table 3-27

Property Taxes: Commercial/Industrial and Public Utilities—1985

State	COMMERCIAL/INDUSTRIAL Tax Base*	Capacity Per Capita	Tax Capacity Index/Rank	Tax Capacity	PUBLIC UTILITIES Tax Base*	Capacity Per Capita	Tax Capacity Index/Rank	Tax Capacity
Alabama	$26,369	$82.40	71.4 / 41	$331	$14,015	$49.99	135.4 / 10	$201
Alaska	6,083	146.71	127.1 / 4	76	1,179	32.46	87.9 / 36	17
Arizona	22,058	86.96	75.3 / 35	277	9,521	42.85	116.1 / 17	137
Arkansas	15,328	81.64	70.7 / 43	193	7,928	48.21	130.6 / 13	114
California	275,571	131.33	113.7 / 9	3,462	50,470	27.46	74.4 / 44	724
Colorado	29,477	114.63	99.3 / 19	370	8,745	38.82	105.2 / 24	125
Connecticut	36,977	146.38	126.8 / 5	465	6,027	27.24	73.8 / 45	86
Delaware	9,358	189.03	163.7 / 1	118	1,617	37.29	101.0 / 27	23
Washington, DC	6,097	122.37	106.0 / 13	77	1,721	39.43	106.8 / 21	25
Florida	71,872	79.45	68.8 / 44	903	26,756	33.76	91.5 / 34	384
Georgia	49,677	104.45	90.5 / 24	624	15,619	37.49	101.6 / 26	224
Hawaii	6,449	76.88	66.6 / 47	81	1,509	20.53	55.6 / 50	22
Idaho	6,300	78.76	68.2 / 45	79	2,041	29.13	78.9 / 39	29
Illinois	116,054	126.41	109.5 / 10	1,458	29,951	37.24	100.9 / 28	430
Indiana	51,655	118.03	102.2 / 16	649	16,199	42.25	114.5 / 19	232
Iowa	19,221	83.74	72.5 / 39	242	7,917	39.37	106.7 / 22	114
Kansas	21,370	109.59	94.9 / 21	269	10,408	60.93	165.1 / 3	149
Kentucky	29,703	100.16	86.7 / 26	373	12,007	46.22	125.2 / 15	172
Louisiana	49,133	137.77	119.3 / 6	617	15,133	48.44	131.2 / 12	217
Maine	8,084	87.26	75.6 / 34	102	1,956	24.10	65.3 / 48	28
Maryland	31,332	89.63	77.6 / 32	394	9,390	30.66	83.1 / 38	135
Massachusetts	56,572	122.09	105.7 / 14	711	10,955	26.99	73.1 / 46	157
Michigan	86,963	120.23	104.1 / 15	1,093	22,348	35.27	95.6 / 31	321
Minnesota	39,125	117.24	101.5 / 18	492	9,025	30.87	83.6 / 37	129
Mississippi	15,770	75.83	65.7 / 48	198	6,712	36.85	99.8 / 30	96
Missouri	43,200	107.93	93.5 / 22	543	13,651	38.93	105.5 / 23	196
Montana	4,381	66.63	57.7 / 49	55	3,377	58.64	158.9 / 6	48
Nebraska	10,894	85.23	73.8 / 37	137	5,473	48.88	132.4 / 11	79
Nevada	6,186	83.04	71.9 / 40	78	3,432	52.60	142.5 / 8	49
New Hampshire	8,725	109.84	95.1 / 20	110	1,584	22.76	61.7 / 49	23
New Jersey	89,917	149.40	129.4 / 3	1,130	15,324	29.07	78.7 / 40	220
New Mexico	8,923	77.32	67.0 / 46	112	6,149	60.82	164.8 / 4	88
New York	189,491	133.89	116.0 / 7	2,381	34,069	27.48	74.5 / 43	489
North Carolina	53,537	107.54	93.1 / 23	673	14,907	34.18	92.6 / 33	214
North Dakota	3,584	65.74	56.9 / 50	45	2,864	59.96	162.5 / 5	41
Ohio	106,339	124.36	107.7 / 11	1,336	25,732	34.35	93.1 / 32	369
Oklahoma	32,481	123.63	107.1 / 12	408	12,690	55.14	149.4 / 7	182
Oregon	20,045	93.73	81.2 / 31	252	8,009	42.75	115.8 / 18	115
Pennsylvania	110,811	117.46	101.7 / 17	1,392	30,702	37.15	100.7 / 29	440
Rhode Island	7,711	100.09	86.7 / 27	97	1,026	15.20	41.2 / 51	15
South Carolina	22,982	86.27	74.7 / 36	289	10,341	44.32	120.1 / 16	148
South Dakota	3,538	62.79	54.4 / 51	44	1,854	37.57	101.8 / 25	27
Tennessee	36,192	95.49	82.7 / 30	455	13,724	41.34	112.0 / 20	197
Texas	196,654	150.94	130.7 / 2	2,471	52,928	46.37	125.6 / 14	759
Utah	11,090	84.71	73.4 / 38	139	3,321	28.96	78.5 / 41	48
Vermont	3,728	87.55	75.8 / 33	47	906	24.29	65.8 / 47	13
Virginia	44,749	98.54	85.3 / 29	562	11,357	28.55	77.3 / 42	163
Washington	35,031	99.83	86.5 / 28	440	15,832	51.50	139.5 / 9	227
West Virginia	12,650	82.10	71.1 / 42	159	10,564	78.26	212.0 / 2	152
Wisconsin	39,196	103.14	89.3 / 25	492	11,232	33.74	91.4 / 35	161
Wyoming	5,370	132.55	114.8 / 8	67	4,147	116.85	316.6 / 1	59
U.S. Total	$2,193,999	$115.47	100.0	$27,567	$614,345	$36.91	100.0	$8,812

NOTE: All per capita amounts are in dollars; total amounts are in millions of dollars.
Representative Rates = 1.26% and 1.43%.
*Tax bases are the net book values of commercial/industrial and public properties in millions of dollars.
Source: ACIR staff estimates.

Table 3-28

Estate And Gift Taxes—1985

State	Tax Base*	Capacity Per Capita	Tax Capacity Index/Rank	Tax Capacity	Tax Revenue	Revenue Per Capita	Tax Effort Index/Rank
Alabama	$69.9	$5.97	60.6 / 36	$24	$10	$2.41	40.3 / 46
Alaska	4.0	2.65	26.9 / 51	1	1	0.99	37.5 / 49
Arizona	68.9	7.42	75.3 / 26	24	15	4.63	62.4 / 36
Arkansas	24.1	3.50	35.5 / 48	8	5	2.22	63.5 / 35
California	1,044.0	13.59	138.0 / 5	358	103	3.92	28.9 / 50
Colorado	74.0	7.86	79.8 / 20	25	14	4.34	55.2 / 40
Connecticut	153.8	16.63	168.8 / 3	53	123	38.79	233.2 / 7
Delaware	45.8	25.28	256.6 / 1	16	14	21.90	86.6 / 28
Washington, DC	19.2	10.52	106.8 / 10	7	24	38.93	370.1 / 2
Florida	449.7	13.58	137.8 / 6	154	101	8.91	65.6 / 33
Georgia	118.1	6.78	68.8 / 29	41	15	2.55	37.6 / 48
Hawaii	32.0	10.42	105.8 / 13	11	12	11.63	111.6 / 25
Idaho	9.4	3.20	32.4 / 50	3	2	1.89	59.2 / 38
Illinois	330.4	9.83	99.8 / 16	113	61	5.30	53.9 / 41
Indiana	87.4	5.46	55.4 / 41	30	44	8.07	147.9 / 16
Iowa	82.8	9.86	100.1 / 14	28	58	20.20	204.9 / 9
Kansas	55.7	7.80	79.2 / 21	19	30	12.18	156.1 / 14
Kentucky	64.4	5.93	60.2 / 38	22	51	13.68	230.6 / 8
Louisiana	79.6	6.10	61.9 / 34	27	34	7.62	124.9 / 21
Maine	22.7	6.68	67.8 / 30	8	12	9.98	149.3 / 15
Maryland	117.6	9.19	93.3 / 18	40	36	8.30	90.3 / 27
Massachusetts	252.5	14.89	151.1 / 4	87	154	26.38	177.2 / 11
Michigan	146.3	5.52	56.1 / 40	50	63	6.90	124.9 / 22
Minnesota	60.9	4.98	50.6 / 44	21	18	4.29	86.1 / 29
Mississippi	33.6	4.42	44.9 / 46	12	11	4.09	92.5 / 26
Missouri	153.4	10.47	106.3 / 12	53	21	4.25	40.6 / 45
Montana	15.6	6.47	65.7 / 32	5	8	9.27	143.2 / 19
Nebraska	36.3	7.76	78.8 / 22	12	5	3.10	40.0 / 47
Nevada	35.6	13.06	132.5 / 7	12	0	0.00	0.0 / Z
New Hampshire	19.2	6.59	66.9 / 31	7	12	11.91	180.7 / 10
New Jersey	217.1	9.85	100.0 / 15	75	194	25.71	260.9 / 6
New Mexico	26.2	6.21	63.0 / 33	9	4	2.70	43.4 / 44
New York	1,056.0	20.38	206.9 / 2	362	241	13.56	66.5 / 32
North Carolina	135.3	7.43	75.4 / 25	46	77	12.25	165.0 / 12
North Dakota	10.9	5.44	55.3 / 42	4	3	3.88	71.3 / 31
Ohio	227.6	7.27	73.8 / 27	78	34	3.21	44.1 / 43
Oklahoma	92.0	9.56	97.1 / 17	32	38	11.53	120.5 / 23
Oregon	59.1	7.56	76.7 / 23	20	29	10.82	143.2 / 18
Pennsylvania	258.5	7.49	76.0 / 24	89	278	23.42	312.8 / 4
Rhode Island	29.6	10.49	106.5 / 11	10	14	14.23	135.6 / 20
South Carolina	43.4	4.45	45.2 / 45	15	24	7.15	160.7 / 13
South Dakota	6.7	3.24	32.9 / 49	2	10	14.26	439.7 / 1
Tennessee	82.7	5.96	60.5 / 37	28	34	7.09	119.0 / 24
Texas	528.8	11.09	112.5 / 9	181	151	9.19	82.9 / 30
Utah	28.8	6.01	61.0 / 35	10	5	2.91	48.4 / 42
Vermont	8.8	5.67	57.6 / 39	3	2	3.17	55.9 / 39
Virginia	133.5	8.03	81.5 / 19	46	28	4.93	61.4 / 37
Washington	90.0	7.01	71.1 / 28	31	20	4.57	65.2 / 34
West Virginia	21.5	3.81	38.7 / 47	7	20	10.41	272.8 / 5
Wisconsin	69.6	5.00	50.8 / 43	24	80	16.85	336.6 / 3
Wyoming	19.1	12.89	130.8 / 8	7	9	18.48	143.4 / 17
U.S. Total	$6,852.0	$9.85	100.0	$2,352	$2,352	$9.85	100.0

NOTE:All per capita amounts are in dollars; total amounts are in millions of dollars.
Representative Rate = 34.3%.
*Tax base is federal income tax liability adjusted for deductibility in millions of dollars.
Z = Zero revenue reported.
Source: ACIR staff estimates.

Table 3-29

Total Severance Taxes—1985

State	Tax Base*	Capacity Per Capita	Tax Capacity Index/Rank	Tax Capacity	Tax Revenue	Revenue Per Capita	Tax Effort Index/Rank
Alabama		$24.16	77.3 / 17	$97	$88	$21.77	90.1 / 14
Alaska		1,847.35	5907.3 / 1	962	1,674	3,213.84	174.0 / 5
Arizona		5.85	18.7 / 27	19	0	0.00	0.0 / Z
Arkansas		24.96	79.8 / 16	59	23	9.76	39.1 / 20
California		25.31	80.9 / 15	667	6	0.24	1.0 / 28
Colorado		30.26	96.8 / 14	98	30	9.41	31.1 / 23
Connecticut		0.25	0.8 / 45	1	0	0.00	0.0 / Z
Delaware		0.05	0.1 / 50	0	0	0.00	0.0 / Z
Washington, DC		0.00	0.0 / B	0	0	0.00	0.0 / Z
Florida		3.13	10.0 / 30	36	105	9.27	296.4 / 2
Georgia		1.56	5.0 / 33	9	0	0.00	0.0 / Z
Hawaii		0.53	1.7 / 42	1	0	0.00	0.0 / Z
Idaho		3.82	12.2 / 28	4	1	0.54	14.2 / 25
Illinois		9.20	29.4 / 20	106	0	0.00	0.0 / Z
Indiana		6.52	20.8 / 26	36	2	0.28	4.2 / 27
Iowa		1.02	3.3 / 35	3	0	0.00	0.0 / Z
Kansas		68.05	217.6 / 10	167	112	45.67	67.1 / 18
Kentucky		37.98	121.4 / 12	142	228	61.19	161.1 / 6
Louisiana		137.83	440.8 / 7	618	738	164.73	119.5 / 10
Maine		0.35	1.1 / 43	0	0	0.00	0.0 / Z
Maryland		1.06	3.4 / 34	5	0	0.00	0.0 / Z
Massachusetts		0.19	0.6 / 48	1	0	0.00	0.0 / Z
Michigan		9.78	31.3 / 19	89	76	8.33	85.2 / 15
Minnesota		3.62	11.6 / 29	15	80	19.07	526.6 / 1
Mississippi		30.50	97.5 / 13	80	90	34.46	113.0 / 11
Missouri		2.28	7.3 / 32	11	0	0.00	0.0 / Z
Montana		84.65	270.7 / 8	70	150	181.49	214.4 / 3
Nebraska		7.83	25.0 / 23	13	5	2.87	36.7 / 21
Nevada		10.86	34.7 / 18	10	3	3.44	31.7 / 22
New Hampshire		0.26	0.8 / 44	0	0	0.00	0.0 / Z
New Jersey		0.22	0.7 / 47	2	0	0.00	0.0 / Z
New Mexico		210.59	673.4 / 3	305	392	270.47	128.4 / 7
New York		0.84	2.7 / 37	15	0	0.00	0.0 / Z
North Carolina		0.72	2.3 / 40	5	0	0.00	0.0 / Z
North Dakota		142.59	455.9 / 5	98	176	257.34	180.5 / 4
Ohio		9.09	29.1 / 22	98	8	0.76	8.4 / 26
Oklahoma		176.26	563.6 / 4	582	709	214.73	121.8 / 9
Oregon		0.65	2.1 / 41	2	0	0.00	0.0 / Z
Pennsylvania		9.13	29.2 / 21	108	0	0.00	0.0 / Z
Rhode Island		0.14	0.4 / 49	0	0	0.00	0.0 / Z
South Carolina		0.78	2.5 / 39	3	0	0.00	0.0 / Z
South Dakota		6.92	22.1 / 25	5	5	7.61	110.0 / 12
Tennessee		2.53	8.1 / 31	12	3	0.59	23.4 / 24
Texas		139.75	446.9 / 6	2,288	2,175	132.89	95.1 / 13
Utah		57.25	183.1 / 11	94	49	30.00	52.4 / 19
Vermont		0.80	2.6 / 38	0	0	0.00	0.0 / Z
Virginia		6.97	22.3 / 24	40	0	0.00	0.0 / Z
Washington		0.85	2.7 / 36	4	0	0.00	0.0 / Z
West Virginia		81.38	260.2 / 9	158	132	68.14	83.7 / 16
Wisconsin		0.24	0.8 / 46	1	1	0.20	82.1 / 17
Wyoming		649.73	2077.6 / 2	331	404	793.77	122.2 / 8
U.S. Total		$31.27	100.0	$7,466	$7,466	$31.27	100.0

NOTE: All per capita amounts are in dollars; total amounts are in millions of dollars.
*No combined tax rate can be reported; see tables for particular severance taxes.
B = Base is zero.
Z = Zero revenue reported.
Source: ACIR staff estimates.

Table 3-30

Severance Taxes: Oil And Gas—1985

State	Tax Base*	Capacity Per Capita	Tax Capacity Index/Rank	Tax Capacity	Tax Revenue	Revenue Per Capita	Tax Effort Index/Rank
Alabama	$954	$15.10	54.3 / 16	$61	$84	$20.89	138.3 / 3
Alaska	15,107	1,844.64	6632.2 / 1	961	1,674	3,213.84	174.2 / 1
Arizona	4	0.09	0.3 / 31	0	0	0.00	0.0 / Z
Arkansas	884	23.85	85.8 / 14	56	21	9.01	37.8 / 19
California	10,159	24.51	88.1 / 13	646	6	0.24	1.0 / 23
Colorado	1,292	25.44	91.5 / 12	82	19	5.91	23.2 / 20
Connecticut	0	0.00	0.0 / B	0	0	0.00	0.0 / Z
Delaware	0	0.00	0.0 / B	0	0	0.00	0.0 / Z
Washington, DC	0	0.00	0.0 / B	0	0	0.00	0.0 / Z
Florida	325	1.82	6.5 / 25	21	21	1.88	103.2 / 8
Georgia	0	0.00	0.0 / B	0	0	0.00	0.0 / Z
Hawaii	0	0.00	0.0 / B	0	0	0.00	0.0 / Z
Idaho	0	0.00	0.0 / B	0	0	0.00	0.0 / Z
Illinois	818	4.51	16.2 / 22	52	0	0.00	0.0 / Z
Indiana	140	1.61	5.8 / 26	9	2	0.28	17.1 / 21
Iowa	0	0.00	0.0 / B	0	0	0.00	0.0 / Z
Kansas	2,562	66.51	239.1 / 9	163	111	45.46	68.3 / 14
Kentucky	379	6.46	23.2 / 19	24	21	5.54	85.7 / 13
Louisiana	9,634	136.77	491.7 / 6	613	732	163.30	119.4 / 6
Maine	0	0.00	0.0 / B	0	0	0.00	0.0 / Z
Maryland	0	0.00	0.0 / B	0	0	0.00	0.0 / Z
Massachusetts	0	0.00	0.0 / B	0	0	0.00	0.0 / Z
Michigan	1,189	8.32	29.9 / 17	76	76	8.33	100.1 / 10
Minnesota	0	0.00	0.0 / B	0	0	0.00	0.0 / Z
Mississippi	1,238	30.14	108.4 / 11	79	90	34.46	114.3 / 7
Missouri	6	0.08	0.3 / 32	0	0	0.00	0.0 / Z
Montana	878	67.64	243.2 / 8	56	57	68.48	101.2 / 9
Nebraska	182	7.22	26.0 / 18	12	5	2.87	39.7 / 18
Nevada	70	4.76	17.1 / 21	4	0	0.00	0.0 / Z
New Hampshire	0	0.00	0.0 / B	0	0	0.00	0.0 / Z
New Jersey	0	0.00	0.0 / B	0	0	0.00	0.0 / Z
New Mexico	4,478	196.45	706.3 / 3	285	362	249.67	127.1 / 4
New York	133	0.48	1.7 / 28	8	0	0.00	0.0 / Z
North Carolina	0	0.00	0.0 / B	0	0	0.00	0.0 / Z
North Dakota	1,425	132.38	475.9 / 7	91	151	220.32	166.4 / 2
Ohio	937	5.55	19.9 / 20	60	6	0.53	9.6 / 22
Oklahoma	9,066	174.72	628.2 / 4	577	709	214.73	122.9 / 5
Oregon	10	0.23	0.8 / 30	1	0	0.00	0.0 / Z
Pennsylvania	596	3.20	11.5 / 24	38	0	0.00	0.0 / Z
Rhode Island	0	0.00	0.0 / B	0	0	0.00	0.0 / Z
South Carolina	0	0.00	0.0 / B	0	0	0.00	0.0 / Z
South Dakota	48	4.28	15.4 / 23	3	2	2.57	60.2 / 15
Tennessee	32	0.43	1.5 / 29	2	1	0.23	53.8 / 17
Texas	35,447	137.75	495.3 / 5	2,255	2,171	132.64	96.3 / 12
Utah	1,271	49.17	176.8 / 10	81	49	29.54	60.1 / 16
Vermont	0	0.00	0.0 / B	0	0	0.00	0.0 / Z
Virginia	46	0.51	1.8 / 27	3	0	0.00	0.0 / Z
Washington	0	0.00	0.0 / B	0	0	0.00	0.0 / Z
West Virginia	644	21.17	76.1 / 15	41	0	0.00	0.0 / Z
Wisconsin	0	0.00	0.0 / B	0	0	0.00	0.0 / Z
Wyoming	4,423	552.74	1987.3 / 2	281	271	532.58	96.4 / 11
U.S. Total	$104,378	$27.81	100.0	$6,640	$6,640	$27.81	100.0

NOTE:All per capita amounts are in dollars; total amounts are in millions of dollars.
Representative Rate = 6.36%.
*Tax base is the value of oil and gas production in millions of dollars.
B = Base is zero.
Z = Zero revenue reported.
Source: ACIR staff estimates.

Table 3-31

Severance Taxes: Coal—1985

State	Tax Base*	Capacity Per Capita	Tax Capacity Index/Rank	Tax Capacity	Tax Revenue	Revenue Per Capita	Tax Effort Index/Rank
Alabama	$1,186	$8.01	319.5 / 7	$32	$4	$0.88	11.0 / 10
Alaska	19	1.00	39.7 / 17	1	0	0.00	0.0 / Z
Arizona	128	1.09	43.6 / 16	3	0	0.00	0.0 / Z
Arkansas	2	0.02	0.8 / 26	0	0	0.00	15.1 / 9
California	1	0.00	0.0 / 28	0	0	0.00	0.0 / Z
Colorado	424	3.56	142.2 / 13	12	9	2.74	77.1 / 6
Connecticut	0	0.00	0.0 / B	0	0	0.00	0.0 / Z
Delaware	0	0.00	0.0 / B	0	0	0.00	0.0 / Z
Washington, DC	0	0.00	0.0 / B	0	0	0.00	0.0 / Z
Florida	0	0.00	0.0 / B	0	0	0.00	0.0 / Z
Georgia	4	0.02	0.7 / 27	0	0	0.00	0.0 / Z
Hawaii	0	0.00	0.0 / B	0	0	0.00	0.0 / Z
Idaho	0	0.00	0.0 / B	0	0	0.00	0.0 / Z
Illinois	1,823	4.29	171.2 / 12	49	0	0.00	0.0 / Z
Indiana	884	4.36	174.1 / 11	24	0	0.00	0.0 / Z
Iowa	15	0.15	5.8 / 24	0	0	0.00	0.0 / Z
Kansas	26	0.29	11.4 / 23	1	0	0.17	60.9 / 7
Kentucky	4,234	30.85	1231.1 / 3	115	207	55.65	180.4 / 4
Louisiana	5	0.03	1.2 / 25	0	0	0.00	0.0 / Z
Maine	0	0.00	0.0 / B	0	0	0.00	0.0 / Z
Maryland	80	0.49	19.6 / 21	2	0	0.00	0.0 / Z
Massachusetts	0	0.00	0.0 / B	0	0	0.00	0.0 / Z
Michigan	0	0.00	0.0 / B	0	0	0.00	0.0 / Z
Minnesota	0	0.00	0.0 / B	0	0	0.00	0.0 / Z
Mississippi	0	0.00	0.0 / B	0	0	0.00	0.0 / Z
Missouri	151	0.81	32.4 / 20	4	0	0.00	0.0 / Z
Montana	439	14.42	575.4 / 4	12	92	110.83	768.8 / 1
Nebraska	0	0.00	0.0 / B	0	0	0.00	0.0 / Z
Nevada	0	0.00	0.0 / B	0	0	0.00	0.0 / Z
New Hampshire	0	0.00	0.0 / B	0	0	0.00	0.0 / Z
New Jersey	0	0.00	0.0 / B	0	0	0.00	0.0 / Z
New Mexico	520	9.73	388.3 / 6	14	0	0.00	0.0 / Z
New York	0	0.00	0.0 / B	0	0	0.00	0.0 / Z
North Carolina	0	0.00	0.0 / B	0	0	0.00	0.0 / Z
North Dakota	250	9.90	395.2 / 5	7	25	37.02	373.8 / 2
Ohio	1,203	3.04	121.3 / 14	33	2	0.16	5.4 / 11
Oklahoma	105	0.86	34.5 / 19	3	0	0.00	0.0 / Z
Oregon	0	0.00	0.0 / B	0	0	0.00	0.0 / Z
Pennsylvania	2,314	5.30	211.5 / 10	63	0	0.00	0.0 / Z
Rhode Island	0	0.00	0.0 / B	0	0	0.00	0.0 / Z
South Carolina	0	0.00	0.0 / B	0	0	0.00	0.0 / Z
South Dakota	0	0.00	0.0 / B	0	0	0.00	0.0 / Z
Tennessee	209	1.19	47.7 / 15	6	2	0.36	30.4 / 8
Texas	527	0.87	34.9 / 18	14	0	0.00	0.0 / Z
Utah	354	5.84	233.0 / 8	10	0	0.00	0.0 / Z
Vermont	0	0.00	0.0 / B	0	0	0.00	0.0 / Z
Virginia	1,222	5.82	232.1 / 9	33	0	0.00	0.0 / Z
Washington	59	0.36	14.5 / 22	2	0	0.00	0.0 / Z
West Virginia	4,255	59.66	2380.9 / 2	115	132	68.14	114.2 / 5
Wisconsin	0	0.00	0.0 / B	0	0	0.00	0.0 / Z
Wyoming	1,598	85.25	3402.1 / 1	43	126	246.92	289.7 / 3
U.S. Total	$22,037	$2.51	100.0	$598	$598.2	$2.51	100.0

NOTE: All per capita amounts are in dollars; total amounts are in millions of dollars.
Representative Rate = 2.71%.
*Tax base is the value of coal production in millions of dollars.
B = Base is zero.
Z = Zero revenue reported.
Source: ACIR staff estimates.

Table 3-32

Severance Taxes: Nonfuel Minerals—1985

State	Tax Base*	Capacity Per Capita	Tax Capacity Index/Rank	Tax Capacity	Tax Revenue	Revenue Per Capita	Tax Effort Index/Rank
Alabama	$446	$1.05	110.4 / 19	$4	$0	$0.00	0.0 / Z
Alaska	94	1.71	179.7 / 10	1	0	0.00	0.0 / Z
Arizona	1,568	4.67	489.9 / 3	15	0	0.00	0.0 / Z
Arkansas	271	1.09	114.4 / 18	3	2	0.75	68.9 / 9
California	2,218	0.80	83.8 / 23	21	0	0.00	0.0 / Z
Colorado	427	1.26	131.7 / 15	4	2	0.75	59.8 / 10
Connecticut	85	0.25	26.7 / 45	1	0	0.00	0.0 / Z
Delaware	3	0.05	4.8 / 50	0	0	0.00	0.0 / Z
Washington, DC	0	0.00	0.0 / B	0	0	0.00	0.0 / Z
Florida	1,564	1.31	137.0 / 14	15	84	7.39	565.8 / 1
Georgia	969	1.54	161.5 / 11	9	0	0.00	0.0 / Z
Hawaii	59	0.53	55.7 / 35	1	0	0.00	0.0 / Z
Idaho	404	3.82	400.3 / 5	4	1	0.54	14.2 / 14
Illinois	480	0.40	41.4 / 39	5	0	0.00	0.0 / Z
Indiana	314	0.54	56.9 / 34	3	0	0.00	0.0 / Z
Iowa	266	0.88	91.8 / 22	3	0	0.00	0.0 / Z
Kansas	323	1.25	131.3 / 16	3	0	0.04	2.8 / 16
Kentucky	262	0.67	70.0 / 28	2	0	0.00	0.0 / Z
Louisiana	487	1.03	108.2 / 20	5	6	1.43	138.5 / 5
Maine	43	0.35	36.8 / 42	0	0	0.00	0.0 / Z
Maryland	262	0.57	59.4 / 32	2	0	0.00	0.0 / Z
Massachusetts	115	0.19	19.7 / 48	1	0	0.00	0.0 / Z
Michigan	1,398	1.46	153.2 / 12	13	0	0.00	0.0 / Z
Minnesota	1,599	3.62	379.7 / 6	15	80	19.07	526.6 / 2
Mississippi	99	0.36	37.7 / 41	1	0	0.00	0.0 / Z
Missouri	735	1.39	145.5 / 13	7	0	0.00	0.0 / Z
Montana	225	2.59	271.2 / 8	2	2	2.17	84.0 / 7
Nebraska	102	0.60	63.2 / 31	1	0	0.00	0.0 / Z
Nevada	601	6.10	639.4 / 2	6	3	3.44	56.5 / 11
New Hampshire	27	0.26	26.9 / 44	0	0	0.00	0.0 / Z
New Jersey	177	0.22	23.3 / 47	2	0	0.00	0.0 / Z
New Mexico	673	4.41	462.2 / 4	6	30	20.80	471.9 / 3
New York	675	0.36	37.8 / 40	6	0	0.00	0.0 / Z
North Carolina	475	0.72	75.6 / 26	5	0	0.00	0.0 / Z
North Dakota	22	0.30	32.0 / 43	0	0	0.00	0.0 / Z
Ohio	570	0.50	52.8 / 36	5	1	0.07	13.1 / 15
Oklahoma	237	0.68	71.5 / 27	2	0	0.00	0.0 / Z
Oregon	117	0.41	43.4 / 38	1	0	0.00	0.0 / Z
Pennsylvania	792	0.63	66.5 / 30	8	0	0.00	0.0 / Z
Rhode Island	14	0.14	14.4 / 49	0	0	0.00	0.0 / Z
South Carolina	276	0.78	82.1 / 25	3	0	0.00	0.0 / Z
South Dakota	197	2.64	277.1 / 7	2	4	5.03	190.5 / 4
Tennessee	455	0.91	95.1 / 21	4	0	0.00	0.0 / Z
Texas	1,943	1.13	118.2 / 17	18	4	0.24	21.7 / 12
Utah	389	2.25	235.7 / 9	4	1	0.46	20.6 / 13
Vermont	45	0.80	83.8 / 24	0	0	0.00	0.0 / Z
Virginia	384	0.64	67.0 / 29	4	0	0.00	0.0 / Z
Washington	225	0.48	50.8 / 37	2	0	0.00	0.0 / Z
West Virginia	111	0.54	57.1 / 33	1	0	0.00	0.0 / Z
Wisconsin	123	0.24	25.6 / 46	1	1	0.20	82.1 / 8
Wyoming	629	11.74	1231.0 / 1	6	7	14.27	121.6 / 6
U.S. Total	$23,976	$0.95	100.0	$228	$228	$0.95	100.0

NOTE: All per capita amounts are in dollars; total amounts are in millions of dollars.
Representative Rate = 0.95%.
*Tax base is the value of nonfuel mineral production in millions of dollars.
B = Base is zero.
Z = Zero revenue reported.
Source: ACIR staff estimates.

Table 3-33

All Other Taxes—1985

State	Tax Base*	Capacity Per Capita	Tax Capacity Index/Rank	Tax Capacity	Tax Revenue	Revenue Per Capita	Tax Effort Index/Rank
Alabama	$42,913	$44.23	77.0 / 46	$178	$267	$66.43	150.2 / 13
Alaska	9,476	75.38	131.2 / 1	39	35	67.18	89.1 / 21
Arizona	40,775	53.02	92.3 / 29	169	105	32.93	62.1 / 31
Arkansas	24,707	43.41	75.5 / 49	102	44	18.83	43.4 / 36
California	423,566	66.58	115.9 / 6	1,755	1,659	62.92	94.5 / 20
Colorado	47,859	61.39	106.8 / 10	198	136	42.03	68.5 / 29
Connecticut	57,408	74.96	130.4 / 3	238	167	52.58	70.1 / 28
Delaware	8,876	59.14	102.9 / 14	37	111	178.38	301.6 / 1
Washington, DC	11,367	75.25	130.9 / 2	47	87	139.15	184.9 / 7
Florida	156,184	56.95	99.1 / 20	647	893	78.57	138.0 / 15
Georgia	74,960	51.98	90.5 / 32	311	226	37.76	72.6 / 27
Hawaii	14,558	57.24	99.6 / 18	60	17	16.42	28.7 / 47
Idaho	11,173	46.07	80.2 / 42	46	29	29.31	63.6 / 30
Illinois	169,999	61.08	106.3 / 11	705	367	31.81	52.1 / 33
Indiana	68,442	51.58	89.8 / 33	284	59	10.74	20.8 / 49
Iowa	36,315	52.19	90.8 / 31	151	14	4.79	9.2 / 51
Kansas	33,755	57.10	99.4 / 19	140	60	24.31	42.6 / 38
Kentucky	40,328	44.86	78.1 / 45	167	298	80.03	178.4 / 9
Louisiana	50,513	46.72	81.3 / 39	209	168	37.51	80.3 / 25
Maine	13,835	49.26	85.7 / 37	57	25	21.13	42.9 / 37
Maryland	69,680	65.75	114.4 / 8	289	637	145.06	220.6 / 4
Massachusetts	95,361	67.88	118.1 / 5	395	166	28.43	41.9 / 39
Michigan	123,673	56.40	98.1 / 21	513	116	12.72	22.6 / 48
Minnesota	59,068	58.38	101.6 / 15	245	294	70.07	120.0 / 17
Mississippi	24,004	38.07	66.2 / 51	99	36	13.82	36.3 / 45
Missouri	66,605	54.89	95.5 / 25	276	113	22.43	40.9 / 40
Montana	9,067	45.49	79.2 / 43	38	22	26.33	57.9 / 32
Nebraska	21,323	55.03	95.7 / 24	88	44	27.15	49.3 / 34
Nevada	13,560	60.04	104.5 / 13	56	125	133.54	222.4 / 3
New Hampshire	14,931	62.00	107.9 / 9	62	106	105.86	170.7 / 11
New Jersey	130,154	71.33	124.1 / 4	539	199	26.35	36.9 / 44
New Mexico	15,828	45.24	78.7 / 44	66	71	49.10	108.5 / 18
New York	285,419	66.52	115.7 / 7	1,183	2,128	119.64	179.9 / 8
North Carolina	72,670	48.15	83.8 / 38	301	122	19.55	40.6 / 41
North Dakota	8,255	49.94	86.9 / 36	34	29	42.31	84.7 / 22
Ohio	142,110	54.82	95.4 / 27	589	221	20.56	37.5 / 43
Oklahoma	40,381	50.70	88.2 / 34	167	136	41.26	81.4 / 24
Oregon	33,921	52.32	91.0 / 30	141	188	69.80	133.4 / 16
Pennsylvania	159,276	55.69	96.9 / 23	660	1,138	96.03	172.4 / 10
Rhode Island	13,465	57.65	100.3 / 16	56	19	19.39	33.6 / 46
South Carolina	35,434	43.88	76.3 / 47	147	157	46.78	106.6 / 19
South Dakota	7,903	46.26	80.5 / 41	33	27	38.35	82.9 / 23
Tennessee	53,540	46.60	81.1 / 40	222	169	35.51	76.2 / 26
Texas	220,715	55.88	97.2 / 22	915	1,263	77.12	138.0 / 14
Utah	17,259	43.48	75.7 / 48	72	34	20.73	47.7 / 35
Vermont	6,482	50.21	87.4 / 35	27	65	121.88	242.7 / 2
Virginia	82,980	60.27	104.9 / 12	344	670	117.37	194.7 / 6
Washington	61,185	57.51	100.1 / 17	254	382	86.68	150.7 / 12
West Virginia	19,736	42.25	73.5 / 50	82	172	88.95	210.5 / 5
Wisconsin	62,815	54.52	94.9 / 28	260	102	21.29	39.1 / 42
Wyoming	6,734	54.83	95.4 / 26	28	5	9.97	18.2 / 50
U.S. Total	$3,310,543	$57.47	100.0	$13,720	$13,720	$57.47	100.0

NOTE: All per capita amounts are in dollars; total amounts are in millions of dollars.
Representative Rate = 0.41%.
*Tax base is aggregate personal income in millions of dollars.
Source: ACIR staff estimates.

Table 3-34

Rents and Royalties—1985

State	Tax Base*	Capacity Per Capita	Tax Capacity Index/Rank	Tax Capacity	Tax Revenue	Revenue Per Capita	Tax Effort Index/Rank
Alabama	$24	$5.88	43.8 / 11	$24	$24	$5.88	100.0 /S
Alaska	1,400	2,687.35	20,004.0 / 1	1,400	1,400	2,687.35	100.0 /S
Arizona	3	0.80	6.0 / 16	3	3	0.80	100.0 /S
Arkansas	1	0.22	1.7 / 21	1	1	0.22	100.0 /S
California	517	19.61	145.9 / 7	517	517	19.61	100.0 /S
Colorado	4	1.28	9.5 / 14	4	4	1.28	100.0 /S
Connecticut	0	0.00	0.0 / Z	0	0	0.00	100.0 /S
Delaware	0	0.00	0.0 / Z	0	0	0.00	100.0 /S
Washington, DC	0	0.00	0.0 / Z	0	0	0.00	100.0 /S
Florida	0	0.00	0.0 / Z	0	0	0.00	100.0 /S
Georgia	0	0.00	0.0 / Z	0	0	0.00	100.0 /S
Hawaii	0	0.00	0.0 / Z	0	0	0.00	100.0 /S
Idaho	0	0.00	0.0 / Z	0	0	0.00	100.0 /S
Illinois	0	0.00	0.0 / Z	0	0	0.00	100.0 /S
Indiana	0	0.06	0.4 / 22	0	0	0.06	100.0 /S
Iowa	0	0.03	0.2 / 23	0	0	0.03	100.0 /S
Kansas	2	0.64	4.8 / 18	2	2	0.64	100.0 /S
Kentucky	0	0.00	0.0 / Z	0	0	0.00	100.0 /S
Louisiana	430	95.99	714.5 / 4	430	430	95.99	100.0 /S
Maine	0	0.00	0.0 / Z	0	0	0.00	100.0 /S
Maryland	0	0.00	0.0 / Z	0	0	0.00	100.0 /S
Massachusetts	0	0.00	0.0 / Z	0	0	0.00	100.0 /S
Michigan	14	1.56	11.6 / 13	14	14	1.56	100.0 /S
Minnesota	3	0.68	5.0 / 17	3	3	0.68	100.0 /S
Mississippi	2	0.62	4.6 / 19	2	2	0.62	100.0 /S
Missouri	0	0.00	0.0 / Z	0	0	0.00	100.0 /S
Montana	8	9.98	74.3 / 9	8	8	9.98	100.0 /S
Nebraska	1	0.83	6.2 / 15	1	1	0.83	100.0 /S
Nevada	0	0.00	0.0 / Z	0	0	0.00	100.0 /S
New Hampshire	0	0.00	0.0 / Z	0	0	0.00	100.0 /S
New Jersey	0	0.00	0.0 / Z	0	0	0.00	100.0 /S
New Mexico	206	142.19	1058.4 / 2	206	206	142.19	100.0 /S
New York	0	0.00	0.0 / Z	0	0	0.00	100.0 /S
North Carolina	0	0.00	0.0 / Z	0	0	0.00	100.0 /S
North Dakota	32	47.29	352.0 / 5	32	32	47.29	100.0 /S
Ohio	0	0.00	0.0 / Z	0	0	0.00	100.0 /S
Oklahoma	28	8.55	63.7 / 10	28	28	8.55	100.0 /S
Oregon	0	0.00	0.0 / Z	0	0	0.00	100.0 /S
Pennsylvania	0	0.01	0.1 / 24	0	0	0.01	100.0 /S
Rhode Island	0	0.00	0.0 / Z	0	0	0.00	100.0 /S
South Carolina	0	0.00	0.0 / Z	0	0	0.00	100.0 /S
South Dakota	1	1.96	14.6 / 12	1	1	1.96	100.0 /S
Tennessee	0	0.00	0.0 / Z	0	0	0.00	100.0 /S
Texas	443	27.06	201.4 / 6	443	443	27.06	100.0 /S
Utah	23	13.92	103.6 / 8	23	23	13.92	100.0 /S
Vermont	0	0.00	0.0 / Z	0	0	0.00	100.0 /S
Virginia	0	0.00	0.0 / Z	0	0	0.00	100.0 /S
Washington	0	0.00	0.0 / Z	0	0	0.00	100.0 /S
West Virginia	0	0.01	0.0 / Z	0	0	0.01	100.0 /S
Wisconsin	1	0.29	2.2 / 20	1	1	0.29	100.0 /S
Wyoming	63	124.70	928.2 / 3	63	63	124.70	100.0 /S
U.S. Total	$3,207	$13.43	100.0	$3,207	$3,207	$13.43	100.0

NOTE:All per capita amounts are in dollars; total amounts are in millions of dollars.
Representative Rate = 100.00%.
*Tax base is actual receipts from rents and royalties in millions of dollars.
S = All states have the same effort index because of the design of this revenue base.
Z = Zero revenue reported.
Source: ACIR staff estimates.

Table 3-35

Payments Under *The Mineral Leasing Act*—1985

State	Tax Base*	Capacity Per Capita	Tax Capacity Index/Rank	Tax Capacity	Tax Revenue	Revenue Per Capita	Tax Effort Index/Rank
Alabama	$0.2	$0.05	2.2 / 21	$0	$0	$0.05	100.0 /S
Alaska	23.9	45.96	1,996.7 / 3	24	24	45.96	100.0 /S
Arizona	1.1	0.35	15.4 / 15	1	1	0.35	100.0 /S
Arkansas	0.7	0.31	13.3 / 17	1	1	0.31	100.0 /S
California	41.9	1.59	69.0 / 11	42	42	1.59	100.0 /S
Colorado	42.8	13.25	575.8 / 7	43	43	13.25	100.0 /S
Connecticut	0.0	0.00	0.0 / Z	0	0	0.00	100.0 /S
Delaware	0.0	0.00	0.0 / Z	0	0	0.00	100.0 /S
Washington, DC	0.0	0.00	0.0 / Z	0	0	0.00	100.0 /S
Florida	0.1	0.01	0.3 / 23	0	0	0.01	100.0 /S
Georgia	0.0	0.00	0.0 / Z	0	0	0.00	100.0 /S
Hawaii	0.0	0.00	0.0 / Z	0	0	0.00	100.0 /S
Idaho	3.8	3.76	163.2 / 9	4	4	3.76	100.0 /S
Illinois	0.0	0.00	0.0 / Z	0	0	0.00	100.0 /S
Indiana	0.0	0.00	0.0 / 22	0	0	0.00	100.0 /S
Iowa	0.0	0.00	0.0 / 23	0	0	0.00	100.0 /S
Kansas	0.8	0.31	13.5 / 16	1	1	0.31	100.0 /S
Kentucky	0.0	0.00	0.0 / Z	0	0	0.00	100.0 /S
Louisiana	0.8	0.18	7.7 / 19	1	1	0.18	100.0 /S
Maine	0.0	0.00	0.0 / Z	0	0	0.00	100.0 /S
Maryland	0.0	0.00	0.0 / Z	0	0	0.00	100.0 /S
Massachusetts	0.0	0.00	0.0 / Z	0	0	0.00	100.0 /S
Michigan	0.0	0.00	0.2 / 24	0	0	0.00	100.0 /S
Minnesota	0.0	0.00	0.0 / 17	0	0	0.00	100.0 /S
Mississippi	1.1	0.43	18.5 / 14	1	1	0.43	100.0 /S
Missouri	0.0	0.00	0.0 / Z	0	0	0.00	100.0 /S
Montana	21.2	25.62	1,113.1 / 4	21	21	25.62	100.0 /S
Nebraska	0.3	0.21	9.1 / 18	0	0	0.21	100.0 /S
Nevada	9.9	10.58	459.8 / 8	10	10	10.58	100.0 /S
New Hampshire	0.0	0.00	0.0 / Z	0	0	0.00	100.0 /S
New Jersey	0.0	0.00	0.0 / Z	0	0	0.00	100.0 /S
New Mexico	150.1	103.50	4,496.8 / 2	150	150	103.50	100.0 /S
New York	0.0	0.00	0.0 / Z	0	0	0.00	100.0 /S
North Carolina	0.0	0.00	0.0 / Z	0	0	0.00	100.0 /S
North Dakota	9.5	13.85	601.9 / 6	9	9	13.85	100.0 /S
Ohio	0.0	0.00	0.0 / Z	0	0	0.00	100.0 /S
Oklahoma	2.9	0.89	38.5 / 12	3	3	0.89	100.0 /S
Oregon	1.8	0.66	28.5 / 13	2	2	0.66	100.0 /S
Pennsylvania	0.0	0.00	0.0 / 24	0	0	0.00	100.0 /S
Rhode Island	0.0	0.00	0.0 / Z	0	0	0.00	100.0 /S
South Carolina	0.0	0.00	0.0 / Z	0	0	0.00	100.0 /S
South Dakota	1.2	1.74	75.5 / 10	1	1	1.74	100.0 /S
Tennessee	0.0	0.00	0.0 / Z	0	0	0.00	100.0 /S
Texas	0.0	0.00	0.0 / 6	0	0	0.00	100.0 /S
Utah	34.8	21.17	919.8 / 5	35	35	21.17	100.0 /S
Vermont	0.0	0.00	0.0 / Z	0	0	0.00	100.0 /S
Virginia	0.0	0.00	0.0 / Z	0	0	0.00	100.0 /S
Washington	0.6	0.15	6.3 / 20	1	1	0.15	100.0 /S
West Virginia	0.0	0.01	0.6 / 22	0	0	0.01	100.0 /S
Wisconsin	0.0	0.00	0.0 / 20	0	0	0.00	100.0 /S
Wyoming	199.8	392.62	17,058.4 / 1	200	200	392.62	100.0 /S
U.S. Total	$549.5	$2.30	100.0	$549	$549	$2.30	100.0

NOTE:All per capita amounts are in dollars; total amounts are in millions of dollars.
Representative Rate = 100.00%.
*Tax base is actual receipts in millions of dollars from payments under the federal *Mineral Leasing Act*.
S = All states have the same effort index because of the design of this revenue base.
Z = Zero revenue reported.
Source: ACIR staff estimates.

Table 3-36

User Charges—1985

State	Tax Base*	Capacity Per Capita	Tax Capacity Index/Rank	Tax Capacity	Tax Revenue	Revenue Per Capita	Tax Effort Index/Rank
Alabama	$42,913	$240.18	77.0 / 46	$966	$1,565	$389.26	162.1 / 5
Alaska	9,476	409.32	131.2 / 1	213	421	808.66	197.6 / 1
Arizona	40,775	287.93	92.3 / 29	918	851	267.13	92.8 / 38
Arkansas	24,707	235.71	75.5 / 49	556	558	236.48	100.3 / 32
California	423,566	361.55	115.9 / 6	9,532	9,170	347.80	96.2 / 35
Colorado	47,859	333.36	106.8 / 10	1,077	1,189	368.01	110.4 / 25
Connecticut	57,408	407.05	130.4 / 3	1,292	659	207.61	51.0 / 51
Delaware	8,876	321.15	102.9 / 14	200	296	475.86	148.2 / 7
Washington, DC	11,367	408.65	130.9 / 2	256	147	235.37	57.6 / 49
Florida	156,184	309.25	99.1 / 20	3,515	4,080	358.98	116.1 / 21
Georgia	74,960	282.29	90.5 / 32	1,687	2,530	423.39	150.0 / 6
Hawaii	14,558	310.84	99.6 / 18	328	338	320.32	103.0 / 29
Idaho	11,173	250.20	80.2 / 42	251	288	286.84	114.6 / 22
Illinois	169,999	331.67	106.3 / 11	3,826	2,542	220.34	66.4 / 48
Indiana	68,442	280.10	89.8 / 33	1,540	1,869	339.95	121.4 / 19
Iowa	36,315	283.38	90.8 / 31	817	1,078	373.86	131.9 / 13
Kansas	33,755	310.06	99.4 / 19	760	795	324.33	104.6 / 27
Kentucky	40,328	243.58	78.1 / 45	908	808	216.83	89.0 / 40
Louisiana	50,513	253.69	81.3 / 39	1,137	1,501	334.95	132.0 / 12
Maine	13,835	267.49	85.7 / 37	311	242	208.13	77.8 / 43
Maryland	69,680	357.05	114.4 / 8	1,568	1,110	252.71	70.8 / 44
Massachusetts	95,361	368.62	118.1 / 5	2,146	1,492	256.33	69.5 / 46
Michigan	123,673	306.26	98.1 / 21	2,783	3,393	373.39	121.9 / 17
Minnesota	59,068	317.04	101.6 / 15	1,329	1,797	428.64	135.2 / 9
Mississippi	24,004	206.74	66.2 / 51	540	982	375.67	181.7 / 3
Missouri	66,605	298.06	95.5 / 25	1,499	1,331	264.61	88.8 / 41
Montana	9,067	247.04	79.2 / 43	204	218	264.22	107.0 / 26
Nebraska	21,323	298.80	95.7 / 24	480	646	402.36	134.7 / 10
Nevada	13,560	326.04	104.5 / 13	305	424	452.52	138.8 / 8
New Hampshire	14,931	336.70	107.9 / 9	336	186	186.60	55.4 / 50
New Jersey	130,154	387.35	124.1 / 4	2,929	2,050	271.06	70.0 / 45
New Mexico	15,828	245.66	78.7 / 44	356	395	272.68	111.0 / 24
New York	285,419	361.21	115.7 / 7	6,423	5,850	328.95	91.1 / 39
North Carolina	72,670	261.46	83.8 / 38	1,635	1,588	253.89	97.1 / 34
North Dakota	8,255	271.21	86.9 / 36	186	348	508.32	187.4 / 2
Ohio	142,110	297.67	95.4 / 27	3,198	3,254	302.90	101.8 / 31
Oklahoma	40,381	275.30	88.2 / 34	909	1,135	343.82	124.9 / 15
Oregon	33,921	284.11	91.0 / 30	763	930	346.20	121.9 / 18
Pennsylvania	159,276	302.41	96.9 / 23	3,585	2,491	210.13	69.5 / 47
Rhode Island	13,465	313.05	100.3 / 16	303	242	249.86	79.8 / 42
South Carolina	35,434	238.26	76.3 / 47	797	1,065	318.13	133.5 / 11
South Dakota	7,903	251.21	80.5 / 41	178	181	255.74	101.8 / 30
Tennessee	53,540	253.03	81.1 / 40	1,205	1,470	308.66	122.0 / 16
Texas	220,715	303.43	97.2 / 22	4,967	4,636	283.17	93.3 / 37
Utah	17,259	236.12	75.7 / 48	388	486	295.36	125.1 / 14
Vermont	6,482	272.67	87.4 / 35	146	146	273.54	100.3 / 33
Virginia	82,980	327.28	104.9 / 12	1,867	1,788	313.29	95.7 / 36
Washington	61,185	312.31	100.1 / 17	1,377	1,550	351.51	112.6 / 23
West Virginia	19,736	229.42	73.5 / 50	444	463	239.07	104.2 / 28
Wisconsin	62,815	296.05	94.9 / 28	1,414	1,677	351.24	118.6 / 20
Wyoming	6,734	297.74	95.4 / 26	152	252	495.75	166.5 / 4
U.S. Total	$3,310,543	$312.07	100.0	$74,504	$74,504	$312.07	100.0

NOTE:All per capita amounts are in dollars; total amounts are in millions of dollars.
Representative Rate = 2.25%.
*Tax base is aggregate personal income in millions of dollars.
Source: ACIR staff estimates.

Appendix A

Alternative Measures of Fiscal Capacity and Their Uses

TYPES OF FISCAL CAPACITY INDICES

In this appendix four fiscal capacity indices are discussed: Per Capita Personal Income (PCI), Gross State Product (GSP), Total Taxable Resources (TTR), and Export-Adjusted Personal Income (EAI). These indices are compared with ACIR's Representative Tax System (RTS) and the Representative Revenue System (RRS). The selection is not arbitrary. These indices are the subject of the current debate on measuring capacity, and, with the exception of the EAI, have also been calculated for a number of years in the United States by government agencies. They are all available for immediate use, again with the exception of the EAI index.

After a summary comparison of the indices, PCI, GSP, and TTR are then discussed because they are related measures of fiscal capacity. This sets the stage for the theoretical concept represented by the EAI.

Comparison of the Indices

Figure 1 summarizes the basic characteristics of the fiscal capacity indices described in this chapter, emphasizing features of their construction and practical applicability.

Availability

Data on PCI, RTS, and RRS are all currently available from different sources. The Bureau of Economic Analysis (BEA) of the U.S. Department of Commerce routinely produces estimates of personal income by state and local area;[1] ACIR itself calculates the RTS and RRS; while the BEA may estimate GSP yearly.[2] The U.S. Treasury Department produced the experimental estimates of GSP and TTR for 1981-84 shown in this report.[3] The components needed to estimate TTR, aside from GSP itself, are also available from the BEA. Steven M. Barro, in a study for the U.S. Treasury Department,[4] estimated EAI for 1981. Also, EAI figures for U.S. cities have been constructed by Helen F. Ladd and colleagues.[5]

Currency of the Data

PCI is available with a one-year lag. GSP and TTR have not been calculated over a long enough period to establish a schedule; in principle, though, they could become available with a one-year lag. The RTS and RRS have generally been available after two years, although with additional resources, the lag could be reduced to one year also.

Substate Areas

Although PCI is routinely available for many local areas, and ACIR has experimented with a metropolitan-area RTS,[6] a substate version of GSP or TTR is unlikely. (Some measure of this sort for local areas may be possible with data at hand; the possibility has not yet been explored.) State governments have a good deal of experience in constructing their own intrastate measures (particularly for state-local revenue sharing programs) using data that may not be comparable between states but may be particularly appropriate to the individual state's tax resources. Some of the intrastate measures[7] resemble the RTS/RRS because they use statutorily defined tax bases. Although there is currently no national effort to produce local measures that allow for interstate comparability of localities, the previously cited Ladd study may serve as a theoretical basis for such work.

Comprehensiveness

PCI and GSP do not explicitly measure state areas' ability to "export" taxes and so are not comprehensive indicators of revenue-raising capacity. Unlike the RRS, the RTS excludes nontax revenue sources that governments use—notably user charges—although the RTS is

Figure 1

Prominent Features of the Fiscal Capacity Measures: A Comparative Description

Characteristic	MEASURES OF FISCAL CAPACITY					
	PCI Per Capita Personal Income	GSP Gross State Product	TTR Total Taxable Resources	EAI Export-Adjusted Personal Income	RTS Representative Tax System	RRS Representative Revenue System
Currently Available Annually?	Yes	Planned	Planned	No	Yes	Yes
Speed of Routine Availability	1 Year Delay	1 Year Delay* Expected	1 Year Delay* Expected	NA	1-2 Year Delay	1-2 Year Delay
Routinely Available for Substate Areas?	Yes	No	No	No	No	No
Designed for Comprehensive Coverage of All Potential Revenue Sources	No	No	Yes	Yes	No	Yes
Focuses on:	Residents Only	All Taxpayers	All Taxpayers	All Taxpayers	All Taxpayers	All Taxpayers
Designed to Measure:	Individuals' Ability to Pay Taxes	Individuals' Ability to Pay Taxes	Individuals' Ability to Pay Taxes	Individuals' Ability to Pay Taxes	Governments' Revenue Potentials	Governments' Revenue Potentials
Components of the Measures	Types of Incomes	Types of Incomes	Types of Incomes	Types of Incomes	Statutory Tax Bases	Statutory Revenue Bases
What is the Underlying Source of Government Revenues?	Resident Incomes	Macro-Economic Income	Macro-Economic Income	Resident Incomes, Adjusted for Tax Exportation	Statutory Tax Bases	Statutory Revenue Bases

*Because of limited experience, time required to produce these estimates is difficult to predict. Estimates for 1985 were not available by late 1987.

Source: ACIR staff, based on published and unpublished appraisals of the measures.

intended for comprehensive coverage of the capacity to levy taxes. In large part, the EAI, TTR, and RRS were designed to be more comprehensive than their ancestors. The five remaining indices have a broader ken for they focus (in one way or another) on all taxpayers, not just on individuals residing in the area under study.

Individuals' Taxpaying Ability versus Governments' Revenue-Collecting Potential

This report emphasizes the distinction between two related but frequently confused concepts that underlie fiscal capacity indices: (a) individuals' ability to pay taxes and other levies, and (b) a government's ability to collect revenues. This distinction has been stressed by Douglas Clark in responding to criticism of the RTS[8] for its alleged failure to embody accurately the purchasing power of residents of a jurisdiction, which is one (though not necessarily the only) notion of fiscal capacity:

> . . . [M]y own preference is to keep the RTS and income (e.g., Export-Adjusted Income) approaches separate and distinct. Efforts to make the income approach into an RTS or vice versa simply muddle the two concepts and serve little purpose. Finally, there is no reason why the two approaches should produce the same results.[9]

The contrast between individuals' taxpaying ability and governments' revenue-collecting potential is typified by a community with relatively low personal income but which contains within its boundaries a rich mineral deposit. If the community has the legal power to tax the income generated by this deposit, it may enjoy relatively high levels of public services in return for a comparatively low sacrifice of its own personal income.

On the other hand, without such authority, given below-average personal income, the community could finance an average level of public services with a relatively high tax burden on its personal income. In this illustration, the distinction between the two concepts of fiscal capacity arises because the local government may discriminate among types of income and focus its tax burden on mineral wealth, which is relatively immobile and would typically be owned by a minority of voters, if any, in the community. In this light, from the government's standpoint, mineral income is more valuable than other types of personal income, though to the recipients of the income there, no such distinction applies.

In general, a government's ability to collect taxes is a function of the composition of taxable resources, the types of business activity, personal income, and property, whereas individuals' ability to pay taxes is strictly a consequence of their personal income, comprehensively defined. Moreover, the opportunities for tax exporting in a jurisdiction depend on the residency of *ownership* of taxable resources as well as on their composition.

Calculated as they are from commonly used revenue bases, the RTS and RRS focus on governments' abilities to raise revenues. The other indices, however, tend to be more oriented to individuals' capacities to pay taxes.

Components of the Fiscal Capacity Measures

The components of the RTS are, as measured, commonly used tax bases, whereas the RRS adds nontax revenue bases, such as user charges. Consequently, the RTS/RRS are frequently applied to calculate "effective"[10] tax rates: revenue divided by standardized tax base. The components of the RTS and RRS can therefore help assess interstate tax competition.

In contrary fashion, the other indices of fiscal capacity are calculated from particular types of economic income, such as salaries as opposed to business income: proprietors' earnings, dividends, and undistributed corporate profits. When detailed data on the components of income are available, this information is useful in monitoring shifts in the character of state economies.

Concepts of the Underlying Revenue Source

There is another key difference in the indices' conceptual underpinnings having to do with the underlying source of fiscal capacity. GSP and TTR are "macroeconomic indicators." Based as they are on the components of economic income, these indices derive from the economic theory of national income accounting. PCI and EAI stem from residential incomes, which are adjusted for tax exportation in the latter index.[11]

The RTS and RRS take a different tack, however, deriving from sums of statutory tax bases weighted by national average statutory tax rates. Thus the elements of the RTS and RRS are taken directly from the actual fiscal practice of state and local governments, and the resulting indices reflect in statistical terms the average fiscal behavior of states.

PER CAPITA PERSONAL INCOME

The most obvious source of tax revenue for a jurisdiction is, of course, the income of its taxpaying residents. What is at issue, after all, is their purchasing power. The report employs the standard economic concept of income: consumption of a person, family, or household plus the change in its net worth over a given period of time. Whatever is not consumed is saved, thus increasing net worth; if more is consumed than is received in a particular period, savings must necessarily be drawn down or indebtedness increased, decreasing net worth.

Definitions and Alternative Sources

State personal income is conventionally defined as the personal income of the residents of a state. Two official estimates of state personal income are available, one from the Bureau of the Census and the other from the Bureau of Economic Analysis (BEA). The Census figure is money income and is based on the monthly Current Population Survey. Money income is actual cash receipts, and includes gross wages and salaries, proprietors' income, pension and annuity payments, government transfers (such as AFDC and Social Security), alimony, cash rent, interest, and dividends.

The BEA employs a different definition of income and estimates it with data from different sources, in particular data collected for operation of unemployment insurance programs and by the IRS. The most important distinction in definition is that the BEA figures include an imputation for the net rental value of owner-occupied housing. A house is analogous to a financial investment: The purchaser-investor is rewarded with a stream of benefits in the future resulting from the use of the house. Benefits are measured by analogy to the cash rental value of the house. Imputation effectively "credits" the homeowner with the cash rental value of the house (net of property taxes and costs of upkeep) as an addition to observed money income. This imputation treats home ownership in the same way as financial investments yielding a cash return. A homeowner has the choice of investing less in a house (or renting) and putting more into financial assets, or vice versa.

With respect to tax capacity, it is undeniable that in the immediate sense, it is cash income that is used to pay all taxes, including property taxes. But the benefits of home ownership are also income; the owner can liquidate his or her holding and put the proceeds into a financial asset that earns a taxable cash return.

Other components of BEA personal income are labor earnings, proprietors' income, rent, interest, dividends, and transfers. The Census figure is limited to the cash components of these received by members of households, including employees' contributions to social insurance (i.e., including gross wages and salaries), but not imputed net rent or in-kind transfers from governments.

For state capacity measurement, the transfer component of personal income is a redundancy to the extent that it includes transfers from state and local governments. Income transferred from one state resident to another with no service rendered in return does not increase total income, thus it should only be counted once in the capacity measure. Personal income double-counts such revenue and must therefore be adjusted.[12]

State-Local Tax Deductibility

A problem in appraising the fiscal capacity of American states arises from the deductibility of income and property taxes in calculation of federal personal income tax liability. Since capacity can be thought of as the level of resources that remain for state residents to allocate between public and private uses, after federal taxation, it would seem that subtraction of federal taxes paid is in order if personal income is used in capacity measurement.

This would be an error. Owing to the deductibility from federal income tax of some state and local taxes, taxpayers in effect can shelter some of their income from federal taxation. The amount they are observed to shelter in this way, and thus their federal personal income tax liability, depends on their own state tax rates. These rates are a function of state fiscal policy and of taxpayer preferences. To be neutral with respect to states' actual fiscal policies—which is crucial for a capacity index—the measure must abstract from actual preferences for public versus private consumption. In other words, jurisdictions' capacity should be compared under the assumption that they are equally inclined to levy deductible taxes to finance state-local services.

Exactly how adjustments for deductibility should be performed has never been well specified and is beyond the scope of this report. It should be pointed out that business taxes are also deductible (usually at higher rates than personal taxes), and the magnitude of this type of tax exporting—though it has never been estimated—may well be large.

Lack of Comprehensiveness

The principal weakness of personal income as a capacity measure is that state and local governments may also tax the incomes of nonresidents who work, own property or land, or do business within their jurisdiction. The personal income data used in measuring fiscal capacity are restricted to the personal income of residents. Such a measure does not reflect the availability of opportunities to tax nonresidents, except to the extent that a jurisdiction's advantages in tax exporting are reflected in higher prices of residential land there. Personal income is an incomplete measure of the totality of taxable resources.

To date, personal income has been the sole measure of fiscal capacity used in any federal grant formula. However, legislation employing alternatives has been proposed repeatedly in the past and is now pending in both houses of Congress.

GROSS STATE PRODUCT

Although not currently incorporated in legislation, Gross State Product (GSP) has also been proposed as a measure of fiscal capacity[13] and is the primary component of another proposal, Total Taxable Resources.

Definition

GSP is the total value of goods and services produced by land, labor, and capital in a state area over a given period of time. The total value of goods and services produced is equal by accounting principles to the total of income received by those participating in said

production, regardless of their place of residence. As discussed above, that income, with certain qualifications, is subject to taxation by state and local governments. Thus, if income measures the ability to pay state and local taxes, GSP as a capacity index would capture a great part of the income that may be taxed. Those elements that are "missing" are enumerated below in the discussion of TTR.

The total value of "income produced" in GSP consists of the value added in production in the jurisdiction, but not the value of goods imported into the area. One way of measuring this value added is to measure its cost of production, which is the incomes of all parties in the jurisdiction participating in production. This is known as "GSP by type of income."

Components

The primary income components in GSP (as in GNP) are wages and salaries (including payroll taxes, contributions to pensions, and fringe benefits), proprietors' income, rental income, net interest paid, corporate profits, capital consumption (depreciation), business transfers (primarily bad debts written off by firms), and indirect business taxes, defined shortly. The income and profit amounts are all gross of income used to pay taxes on income and profits. Measuring GSP through income automatically nets out the value of goods imported into a jurisdiction.

Indirect business taxes (sales taxes, excises, business licenses, property taxes, and severance taxes) are all the taxes and charges collected by governments that a firm may write off as a cost of doing business in computing its taxable net income or profits. Indirect business taxes are de facto income to governments, in effect a payment for public services or privileges that benefit firms.

Business income is, of course, an important source of tax revenue for state and local governments. GSP measures this in its entirety. Insofar as they are capacity measures, GSP (and TTR) depart from personal and corporate income tax concepts by including capital consumption (i.e., depreciation through use).

GSP includes a substantial portion of the personal income of residents, because most of any state's resident earners will work or own establishments in their state of residence. It also includes any sources of capital income for residents (rent, interest, and dividends) to the extent that the assets producing these incomes are also located in the state of residence. From the standpoint of capacity measurement, GSP also includes some items that arguably should be excluded. Adjustment for these items begin the process of transforming GSP into TTR. This process is elaborated in the Treasury report and its technical appendices.[14]

Conclusion

The major attraction of GSP is that it reflects comprehensively one principal means by which a jurisdiction may shift a part of its tax burden to nonresidents, the "exporting" of some taxes. GSP counts all income received by nonresidents that governments may tax. GSP also includes, in the category of indirect business taxes, some portion of nonresident income that already is being taxed. Thus GSP abstracts from actual state-local tax policy in capturing the entirety of gross income produced that is accessible to state and local governments.

The problem is that GSP resembles PCI in its incompleteness, although their respective shortcomings do not match, and PCI is demonstrably less comprehensive. GSP also neglects some specific components of resident income, which add to residents' ability to pay taxes and to the government's ability to collect them, but that resident PCI does include. These components are chiefly the labor earnings of residents who commute to work in other states and the interest, dividends, and federal cash transfers received by state residents. The magnitude of such discrepancies for GSP is less than the "missing" elements of PCI.[15] With respect to the other means of exporting taxes—the federal offset—GSP is guilty of the same shortcoming as personal income. The relative advantages of deductibility are not reflected.

TOTAL TAXABLE RESOURCES

The TTR index is a new entrant in the field of practical state fiscal capacity measurement, aiming to address the complementary shortcomings of PCI and GSP. TTR is the unduplicated sum of GSP and resident income; thus it is the totality of income produced in the jurisdiction (which is GSP) plus any elements of resident income that were not produced in the residents' jurisdiction—in particular, interest, dividends, federal transfers, and the labor earnings of those state residents who commute to jobs in other state. *Figure 2* relates the components of TTR to those of GSP and PCI that it includes.

Additionally, some adjustments are made to GSP and personal income in light of the fiscal relationship of states to the federal government. GSP is a standard macroeconomic concept that overestimates state fiscal capacity, something it was never intended to measure in the first place.

All *federal* indirect business taxes are subtracted from GSP. These funds are simply unavailable to states and localities (much less taxpayers) and thus cannot be either an augmentation of the ability to pay taxes or of any actual source of tax revenue. Nor may these liabilities be reduced through the federal offset by state-local fiscal policy, as in the case of federal personal and corporate income taxation.

The main adjustment to personal income is the exclusion of transfer payments from shared federal-state grant-in-aid programs, such as AFDC. It is grants such as these for which the fiscal capacity index is intended to determine the allocations; hence the consequences of grant formulas should be removed from the data to the extent possible. Direct federal transfers to persons,

Figure 2

The Components of Total Taxable Resources and the Components of Gross State Product and Personal Income It Includes

Component	Total Taxable Resources	Gross State Product	Per Capita Income (BEA)
Capital Consumption Allowance ("Depreciation") Corporations, Proprietors, Owner-Occupied Housing	X	X	
Business Transfers	X	X	
Indirect Business Taxes (All Governments) Sales, Excises, Property, Severance, Licenses, Rents and Royalties, Document and Stock Transfer, etc.	X	X	
Earnings of Nonresidents Labor Compensation (Working in state) Proprietors' Income (Situated in state)	X	X	
Earnings of Residents Labor Compensation (Working in state) Proprietors' Income (Situated in state)	X	X	X*
State-Local Government Income Profits of State Enterprises, Oil Bonuses, Earnings of Financial Assets, Payments in Lieu of taxes	X		X
Earnings of Residents Labor compensation (Coming out-of-state) Proprietors' Income (Situated out-of-state)	X		X
Private Capital Income Net Rent, Interest, Dividends, Capital Gains, Gross Profits of In-State Corporate Operations	X		X
Cash Transfers (All Governments) Social Insurance, Income Maintenance, Other	X		X

*PCI as calculated by the Bureau of Economic Analysis excludes employer contributions to social insurance, which are defined as part of Gross State Product and Total Taxable Resources.

Source: ACIR staff.

such as Social Security, Supplementary Security Income, and Food Stamps, are included in the personal income "add-ons" to GSP that yield the TTR estimates.

In calculating TTR, failure to adjust for the federal offset for deductible state-local taxes parallels a deficiency of GSP and PCI.

EXPORT-ADJUSTED INCOME

Export-Adjusted Income (EAI) is an important theoretical approach to measuring fiscal capacity.[16] No current estimates are presently available, however. EAI is founded explicitly on the concept of the state-local budget constraint. A state-local budget constraint embodies the choices for the public vs. private allocation of spending that are available to the taxpayers, given the fiscal capacity of that jurisdiction. There is a trade-off between disposable income and taxes that can be used to finance public services; more of one means less of the other, and any number of combinations are possible.

Owing to the opportunities for "exporting" taxes, which themselves vary over jurisdictions, a dollar reduction in residents' disposable income due to state-local tax policy does not translate one-for-one into an extra dollar for public spending. Rather, a dollar lost yields somewhat more to the government for spending. This may occur in two ways:

1. In taxing themselves, the residents of a jurisdiction may simultaneously also tax others who work, shop, or own income-producing assets (capital or land) in the jurisdiction. Owing to the government's ability to tax economic activity at its "point of origin" (i.e., the gross product of the jurisdiction), part of the tax burden can be shifted to nonresidents. It is generally illegal for a state or local government to apply different rates to taxpayers depending on their place of residence, but it is quite acceptable for a government to mix tax and nontax in-

struments (state college tuition, for instance) in such a way as to shift a significant proportion of the burden to nonresidents. There are limits to this practice, though, because given sufficient incentive, nonresidents will choose to go elsewhere.

2. Owing to the deductibility of the state and local taxes on income and property, a dollar in resident income taxed through one of these devices contributes a dollar to the state or local treasury, but also reduces the resident's federal income tax liability by some amount, depending on his or her marginal tax bracket and ability to itemize deductions. Thus if, for instance, the taxpayer is in the 30% bracket, a dollar of state-local spending costs him only 70 cents.

In both instances of tax exporting, a dollar of state-local revenue "costs" less than a dollar to residents.

The ratio of tax revenue paid by nonresidents to total tax revenue has been termed the export rate. In other words, insofar as the tax burden is reflected in actual tax payments, the export rate reflects the extent to which this burden is "exported" to nonresidents of the jurisdiction. The combined export rate is estimated by analyzing the incidence of all relevant state and local taxes by geographic location. In practice, the export rate is assumed for the sake of convenience to be constant under changing levels of taxation. The combined export rate is estimated by analyzing the incidence of all relevant state and local taxes by geographic location.[17]

The EAI concept represents a seminal economic approach to the fiscal behavior of state and local governments. However, estimation raises numerous theoretical issues of tax incidence on which consensus among professional economists is quite lacking. Making the index operational also presents impractically difficult data requirements that would be difficult to solve in a legislative and administrative setting. Therefore, it is generally agreed that EAI is not sufficiently developed for use in legislation.

THE REPRESENTATIVE TAX SYSTEM AND THE REPRESENTATIVE REVENUE SYSTEM

The Representative Tax System and its cousin, the Representative Revenue System, embody another approach to defining and measuring fiscal capacity.[18] Rather than using the economic definition of income, the RTS and RRS estimate the statutory bases (such as retail sales) that are commonly taxed (in one way or another) by state and local governments, weighing these revenue bases by the national average of governmental practice, i.e., using national average rates as weights.

The thorny matters of comprehensiveness and tax exportation that confront the other capacity indexes also influence the design and use of the RTS/RRS, but differently. In the latter, a comprehensive index of fiscal capacity is achieved by attempting to assemble a precise and exhaustive listing of statutory tax and nontax revenue bases. And in the RTS and RRS the exportation of taxes is reflected in the estimated level of each revenue base. For example, sales to tourists effectively export taxes by collecting some of the income of nonresidents. In the RTS and RRS the tourist trade is included in a state's total retail sales, which is used to calculate the base for general sales taxation.

In this report as in its immediate predecessor, ACIR elevates the Representative Revenue System to full partnership with the older Representative Tax System. The RRS augments the RTS with a range of nontax revenue bases, chiefly that for user charges, amounting to more than a sixth of RRS revenues.

THE USES OF FISCAL CAPACITY MEASURES

In the introduction to this report, four primary uses for fiscal capacity indicators were cited:

1) Regional Analysis,
2) Regional Policy,
3) Comparative Fiscal Policy Analysis, and
4) Fiscal Equalization Policy.

Each of these is now considered. The multiple uses of capacity measures are matched to the specific indices in *Chart 1*. Although arguments may be advanced relating virtually any index to any purpose, this report has pointedly limited the possible interconnections, not out of inflexibility, but in order to highlight the major distinctions—their comparative advantages and disadvantages among capacity indices with respect to their alternative uses. In the following section, an important technical basis for this strict differentiation is explored briefly. The final section on fiscal equalization raises the important conceptual issues.

Regional Analysis

USE OF GSP

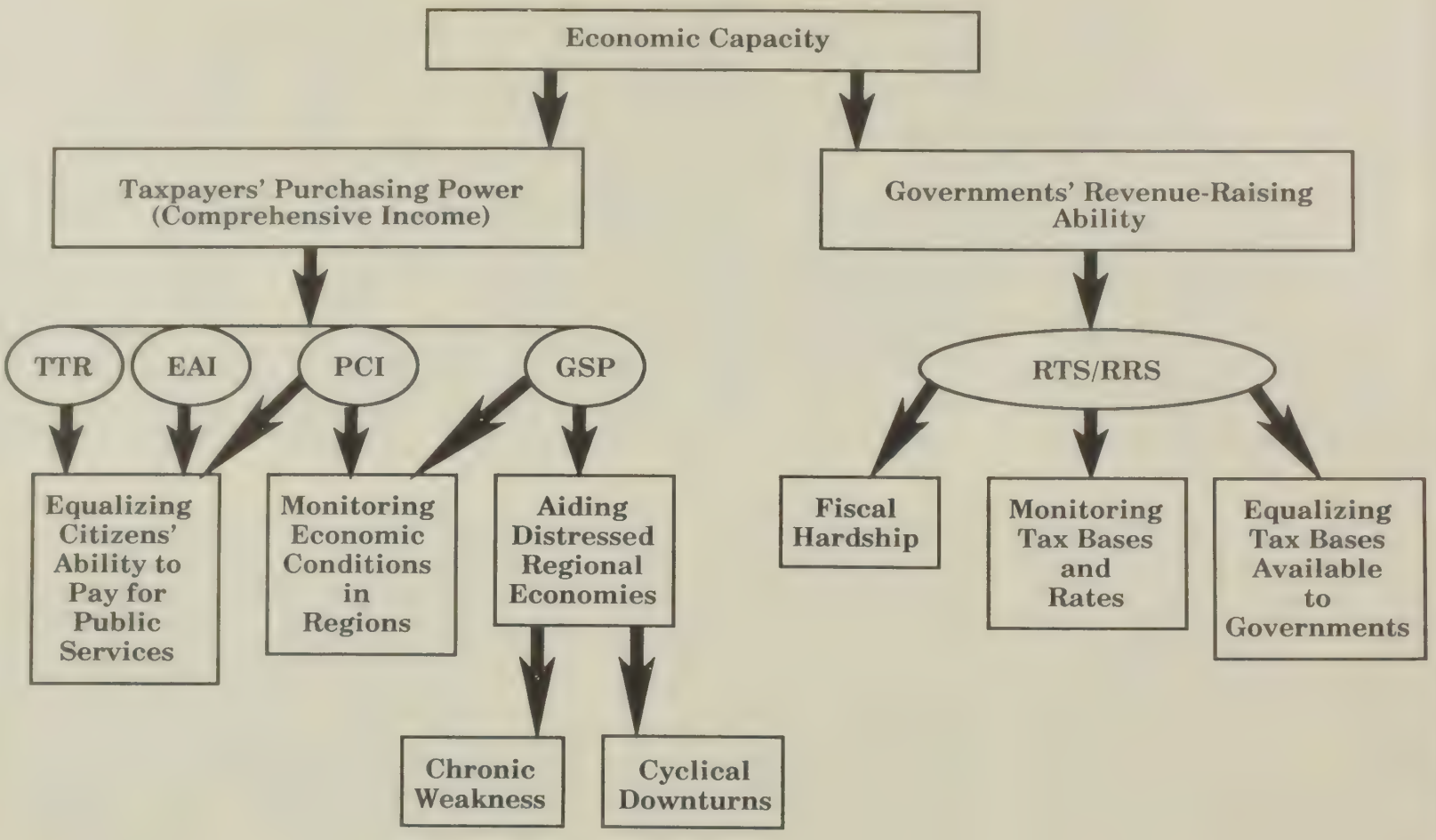
Gross State Product (GSP) is the state counterpart of GNP, which is typically employed to monitor changes over time in the economic well-being of countries.

GSP measures the value of goods and services produced in each state. It is therefore the logical place to begin in any consideration of states' levels of economic activity, and how their fiscal or economic development policies may help or hinder this process. It is also possible to disaggregate the GSP total for any state to see how the expansion or contraction of each industry contributed to the estimated GSP. In certain respects, GSP has more to say about a state's economic progress than either unemployment or earnings data, because it shows the degree to which different industries contribute to their state's total output and taxable resources.

GSP, in its sum and in its parts, is a production-based measure of well-being. It is a comprehensive indi-

Chart 1

Uses of Capacity Measures



Source: ACIR staff.

cator of business conditions in a state, unlike state personal income. Personal income defines well-being in terms of the location of individuals—their residences—receiving the income.

GSP does not include the income of state residents that was earned from work or investment elsewhere. Nor does it include income due to cash transfers from the federal government. Consequently, it is incomplete with respect to the income of residents, and thus with respect to their ability to pay taxes to their own government, as noted above.

USE OF RTS/RRS

An alternative assessment of the economic well-being of jurisdictions might focus solely on the levels of those resources that are commonly taxed. In the RTS/RRS approach to fiscal capacity, it is recognized that aggregate economic data may conceal information about the composition of these aggregates that is relevant to tax capacity. Broad economic indicators, such as GSP, do not directly reveal changes in common tax bases.

USE OF TTR

In the fullest sense of the term, citizens' economic well-being consists of both their personal income levels (which reflect their ability to purchase public services) and the ability of their governments to augment revenues through the taxation of nonresidents. A new alternative measure incorporating the potential for an important mode of tax exporting is the TTR index, which considers all income received by residents of the jurisdiction directly plus the income "produced" in that jurisdiction that would otherwise, but for state and local taxation, be received by nonresidents. Thus the TTR index attempts to provide a comprehensive measure of the well-being of persons by jurisdiction.

In the same respect, consideration of personal income would be inadequate for the task of comparing the well-being of residents of different states. An important component of their well-being is their consumption of public services, which—given the possibility of tax exporting—may be only partially financed (and to different degrees) by their own tax payments.

Regional Policy

A fundamental tenet of economic theory, enshrined in Adam Smith's description of the pin factory, is the advantage of specialization. It is logical to view this in a regional context: It makes sense for areas to specialize in the production of those goods and services for which they enjoy comparative advantages. The corollary of this, however, carries a negative connotation. To the extent that geographic areas have comparative disadvantages and also have difficulty in switching from one type of industry to another (i.e., to the extent that there are "transition costs") economic stagnation and recession may be regionally focused. Difficult choices ensue over the question of investing public resources in troubled or declining areas or coping with the "costs" (monetary and otherwise) caused by out-migration.

USING GSP

A federal government may be concerned with regional economic policy, which may include anti-recessionary grants for economic stabilization or development. In this vein, the index of Gross State Product may be particularly useful.

A distinction is implied above between chronic economic stagnation and transitory, though perhaps substantial, downturns. Stagnation is defined here as a long-standing condition that has been observed in areas of the United States, such as Appalachia and the Rio Grande Valley. What may prove to be more temporary reversals—the bust periods of boom-and-bust cycles—can be seen now in the "oil patch" and in certain farming areas. Gross State Product measurement could be employed to monitor either difficulty.[19]

It should be clear that state personal income would be misleading for either endeavor. It includes some items that have nothing to do with area business activity (such as transfers to residents from the federal government and capital income from assets located in other states), and excludes many other items that are essential features of local economic development (earnings of nonresidents, indirect business taxes, profits, etc.).

Except for its focus on residents' income, the personal income index is not "place-oriented" in the sense that is required for regional economic policy. For policy concerned with the location of business activity (and the locations of a dearth of business activity), the location of income as produced (e.g., GSP) is the key concern. The location of income destinations (e.g., of those receiving income) also stimulates issues of fiscal equalization and government income security policy, but it is a somewhat different concern.

As noted repeatedly in this report, from the standpoint of state and local governments, all types of income contained in GSP are not necessarily equal in importance (and, as noted, some sources of tax revenue are missing from GSP). The fiscal strains on a depressed region's government may themselves be of concern to the federal government. In this context it is useful to focus on commonly taxed resources, as well as the undifferentiated GSP aggregate. Here again, use of the RTS or RRS is an option.

Comparative Fiscal Policy Analysis

A preeminent question in comparing the fiscal policies of states and localities is the average burden of taxation, or "tax effort." Such a comparison is necessarily founded on the indicator of capacity to which actual tax revenues are compared in ratio form. Here again the analyst has a choice of the RTS/RRS indices or one of the macroeconomic aggregates.

The choice of capacity index depends on whether the underlying issue is taxes collected (a) in light of the ability to pay taxes, as conceived in broad economic terms, or (b) relative to the statutory tax bases, as normally defined in state and local tax law.

ABILITY TO PAY TAXES

Ability to pay is a theoretical concept that nevertheless should be of interest to policymakers. It is clear that statutory bases do not encompass the entirety of potentially taxable money income accruing to firms and households. It is also clear that ability to pay one type of tax on one particular tax base is related to the size of other tax bases and to the levels of income not included in any tax base. For these reasons, the amount of revenue collected from any particular tax or set of taxes relative to residents' income broadly conceived is important information.

On the other hand, when it is business activities (retail sales, income-generating property, production) that are taxed according to the location of "origin" of income being produced, the tax burden on these activities is a function of these business establishments' location, not of the residence of those supplying productive services or financial capital (stockholders, landlords, workers, etc.). The total tax burden relative to the total income of these parties does not depend on the location of their residences. Rather, it is the rates of taxation on the activities themselves that is the relevant point of comparison over jurisdictions.

BURDEN ON STATUTORY TAX BASES

Often a state official wants to compare the rate of taxation levied by his or her government to past rates, to those of neighboring states, or to the national average. The RTS or RRS help make these comparisons for both individual taxes and for revenue bases as wholes. (In this context, it is of no use to know the percentage of total revenue that is effectively derived from nonresidents or "exported." The accomplishment of EAI is irrelevant here. Comparison of export rates says nothing about export potential, which entails the examination of particular types of taxes, including their rates, the size of the base in the jurisdiction, and the amount of revenue being collected relative to that base.)

Another common use of fiscal capacity data concerns particular taxes relative to particular economic variables or statutory tax-base levels. This entails the use of disaggregated components of the capacity indices. To isolate taxes on business as a whole, a logical point of comparison would be revenue from taxes on business relative to Gross State Product *or* to the business tax bases in the RTS (nonresidential property, corporate income, severance, business licenses). To look at taxes on residential households, the appropriate comparison is revenue so derived relative to comprehensive personal income *or* to the "personal" tax bases of the RTS (residential property, general sales and excises, estate and gift, and personal income). Implicit in these monitoring efforts are difficult judgments about the final incidence of taxes and appropriate definitions of "business income." In any case, the data in this report are essential tools for such an endeavor.

In the consideration of particular types of taxes, the RTS data are a natural starting point. The disaggregated figures on the various tax bases and revenues collected by states in total and per capita are shown in the appendix tables. It is possible to compare both the relative size of states' tax bases, the relative amounts of revenue collected from those bases, and the relative rates of tax on those bases. The issue of interstate tax competition would evoke such concerns, for example.

Applicability of the other indices to such purposes depends on the task. TTR data, for instance, could be used to get a measure of the size of income and payroll taxation as a proportion of the total earnings of residents and nonresidents. Personal income tax revenue (from RTS tables) can be expressed as a percent of state personal income.

The RTS revenue data in the appendices to this report can also be used to compare the tax mix in states: the extent to which different states focus their revenue collection on particular types of tax bases. Graphic representation of this can be found in *Section 2*.

Fiscal Equalization Policy

The operation of a federal system of government continually raises the question of the fiscal strengths and weaknesses of jurisdictions in that system, including their abilities to raise revenues in order to perform public functions. To deal with lower-level jurisdictions on an equitable basis, it is often held that the federal government must consider their relative fiscal capacities. Even among proponents, however, debate rages on how to equalize tax wealth and how to use indices of fiscal capacity. This report would be seriously remiss if it did not scrutinize fiscal equalization and the role of capacity measures in such policies.

Federal policymakers may be interested in state fiscal capacity for a wide variety of reasons. Instances include a desire to distribute funds fairly or to collect them fairly, expanding the federal budget to do what state-local governments cannot do themselves, or contracting the budget to allow subnational governments to make their own fiscal choices. Indeed, even nonfiscal federal policy with governmental or economic consequences (such as regulatory actions) should be assessed in terms of interjurisdictional differences in fiscal capacity.

The most prominent role for capacity measurement of states is, of course, as a component of formulas determining states' allocations under grant-in-aid programs, such as Medicaid and Aid to Families with Dependent Children. But concerns about fiscal capacity also have been raised in other contexts, such as federal disaster relief and the federal role in toxic waste clean-up.

The ACIR has related the concept of fiscal capacity to the discussion of the devolution of federal programs.[20] Debate over national tax and budget policy often makes recourse to the measured fiscal flows between the federal government and the states, typically comparing grant assistance to federal taxes paid. These federal fiscal flows might usefully be considered in light of individual states' fiscal capacities.

THE EQUALIZATION CONCEPT IN BRIEF

Citizens subject to very different state-local fiscal systems may fall prey to this circumstance: Individuals in different taxing jurisdictions but at the same income level paying the same amount in taxes could receive widely disparate public services. From the perspective of the present report, there are two possible causes for this horizontal inequity—where those of equal incomes have access to unequal levels of public services. The two causes are (1) divergent per capita incomes of individual residents and (2) geographically divergent abilities of governments to export tax burdens.

Unequal Incomes

One taxpayer could simply live among richer or poorer neighbors than the other. When all pay the same percentage of their income in taxes—whether through income or property taxation—unequal per capita proceeds are realized in the different jurisdictions. The literature on school finance, and other analyses, cite examples of wealthy people living in areas with ample tax bases and so paying a relatively small percentage of income for broad public services.[21]

Unequal Abilities to Export Tax Burdens

The second salient cause of tax-base differences is varying levels or types of business activity or property value in the different jurisdictions. This circumstance gives citizens and officials unequal opportunities to shift part of their tax burden to the absentee (i.e., nonresident) owners of the firms or properties. Such shifting is known as "tax exporting;" residents can "export" part of their tax burden to nonresident suppliers of productive services (e.g., the labor of commuting workers, the use of capital goods owned by nonresident stockholders or proprietors, the use of land owned by absentee landlords) that contribute to the level of goods and services produced within the geographical confines of the jurisdiction.

In theory these two circumstances can give rise to overall economic inefficiency, as well as horizontal inequity. The inequity arises because fiscal conditions render taxpayers of identical individual economic characteristics unequal owing to their place of residence. Such a judgment is not entirely objective because it depends on defining "identical individual economic characteristics" to the exclusion of the choice of a place of residence.

Inefficiency arises when the location decisions of households and firms are distorted by noneconomic considerations, that is, they move solely to minimize tax liability for a given level of public services. This occurs when potential migrants can benefit from the fortunate combination of low tax rates and high public service levels, as a consequence of ample tax bases. Such outmigration often leaves distressed communities in its wake, further shrinking these communities' tax bases. Migration of this sort, which incurs expense, is not economically efficient because it does not relocate production or residences to locations that, respectively, minimize production cost or maximize household satisfaction. Neither does it reflect a choice founded on the actual economic cost of public service spending.[22]

The geographic location of a household's residence is itself an element in the determination of its overall well-being. If the intrinsic advantages of a location for households are sufficiently offset by fiscal differences, the household may choose to locate in a place that would only be second best in a world with no fiscal differences. Thus the individuals have been made worse off. The economy works less efficiently on that account.

Among economists the inefficiency factor has historically been a subject of primarily theoretical interest. It is difficult to measure the efficiency loss and thus difficult to base a policy on such a phenomenon, if it exists. On the other hand, great political interest traditionally has been invested in the equity question.

The argument for fiscal equalization that has just been recounted (though far from accepted universally) should not be exaggerated. Many differences in tax wealth are neither harmful nor avoidable. Some areas have weak tax bases because they are far from the centers of economic activity and some people choose remote locations. Some interstate differences in fiscal capacity—which may reflect unavoidable readjustments of the economy and population—need not detract from the ability of state and local citizens to provide themselves with a level of public services judged acceptable.

This is not the place to debate the arguments for and against fiscal equalization, much less to debate the choice of one equalization policy or another. So long as federal actions are designed to take account of interstate differences in tax wealth, capacity indices will be necessary. The debates on equalization policy and capacity indices have, unfortunately, generally overlooked the fact that different policies for fiscal equalization may lead to employing different measures of fiscal capacity.

EQUALIZATION POLICY

Two prominent varieties of equalization policy underlie the capacity measures presented in this report. These choices are not accidental. They, in fact, figure strongly in the wide range of equalization grants used in the United States, Australia, and Canada. Both policy varieties are aimed at equalizing the potential amounts

of per capita spending on public services in different states by endeavoring to establish a "floor" level of taxable resources for the poorest jurisdictions.

Equalizing Effective Per Capita Tax Bases

The first policy motive of interest, which pertains to the Representative Tax System and Representative Revenue System, is the equalization of interjurisdictional tax bases. Here the objective is to supplement commonly taxed resources in states having below national-average levels of these resources. The grant allocation might, for instance, depend on the difference between the revenue the state would collect if it set national average rates and the revenue a state with average size tax bases would collect with those same (i.e., national average) rates.

For example, suppose states had a single tax base that was taxed on average nationally at the rate of 10%. If Mississippi had an RTS tax capacity of 75, and Minnesota had a capacity at the national average of 100, Mississippi would receive federal funds equal to the difference between 10% of its own tax base and 10% of Minnesota's.

For the local areas, where property taxation is the primary source of tax revenue for localities and school boards, the most commonly employed capacity measure has been assessed valuation of property per capita. At the state level, there are many tax bases in use, and the problem of adding apples and oranges arises—the apples and oranges being different sources of tax revenue, such as retail sales, personal income, and excises. One obvious way to "add" up these disparate elements to obtain a comprehensive measure of a state's tax capacity is to weight tax bases according to the national average rates at which they are taxed, as in the RTS/RRS approaches. Again, the idea of this form of equalization is that states are given access to equal levels of taxable resources.

In practice, the national government may not wish to appropriate enough funds to perform complete equalization in the above sense. In that case, the amounts needed for 100% equalization could be used to calculate state shares of the grant appropriation. (Strictly speaking, such partial allocations establish an effectively different equalization policy.) The grant program may award funds to all states, which requires determining shares of a fixed sum using the index of all states simultaneously.

The allocation of this variety of equalizing grant need not depend on how much the state actually decides to collect in taxes, nor on how it would use the grant funds. Under these circumstances, the recipient government could, for instance, use its grant to finance an equivalent tax cut. The grant would then be understood as general, unconditional fiscal assistance.

The type of fiscal equalization policy discussed in this section is commonly referred to as a foundation approach to equalization because it guarantees local jurisdictions a level of revenue at one specific level of tax burden on residential income, comprehensively defined—here chosen to be the national average. A second type of equalization policy—commonly referred to as power equalization—guarantees local jurisdictions a per capita level of taxable resources in excess of their own if it is below the national standard that is set. Thus, the more such a jurisdiction taxes its own base, the more it is compensated in grant funds. Its "power to tax" is equalized for any rate of tax it chooses to implement, in contrast to foundation equalization, which only goes so far as to grant jurisdictions a baseline level of resources that holds regardless of the jurisdiction's own tax policy. The power equalization policy requires that some kind of measure of jurisdictions' actual tax effort be included in the equalization formula.

The controversy over the appropriate approach is beyond the scope of this report. As a general matter, the foundation approach is more attractive to low-spending jurisdictions because it provides a guarantee regardless of the jurisdiction's spending level, whereas the power approach would be more desirable to higher-spending states. From the federal grant-agency standpoint, the foundation approach is aimed primarily at ensuring minimum spending results, while the power approach endeavors to increase spending for some purpose across all states. In any case, the effective capacity measure renders rich states equal to poor and makes choices over approaches solely a function of preferences as to public services, as opposed to ability to pay for them.

Equalizing Residents' Ability to Pay Taxes

An alternative equalization motive is to guarantee jurisdictions an equal amount of public revenue, given hypothetically uniform tax burdens on the *residents* of these jurisdictions. Again, the power equalization variant of this would be to guarantee equal per capita tax bases for any given state-determined tax rate by supplementing the bases of below-average states with federal grant funds. This requires comparing the amounts of total revenue each jurisdiction's government would be expected to collect if its residents either (a) contributed equal proportions of their total income for public spending (the foundation approach), or (b) had an average level of taxable resources available to tax (power equalization), in either case compensating those jurisdictions by the amount they fall beneath the average or standard level adopted as policy.

For example, if the average result of residents in states taxing themselves at the rate of 10% of their total income is $1,000 per capita in tax revenue (including revenue from tax exporting), and the average level is the standard adopted, the states that would collect less than $1,000—were they to tax their own residents at the 10% rate—would receive the difference in a grant. If two jurisdictions had equal per capita personal income levels, the revenues that they could raise could still dif-

fer significantly because of different opportunities for tax exporting.

Once again it is quite possible that the national government will wish to give all states grant funds, and/or that 100% equalization (full compensation up to the standard) will not be achieved. In that case, the estimated national revenue from the 10% rate could be used to determine relative shares of federal appropriations.

Equalizing residents' taxpaying ability is an alternative route to achieving neutrality in location decisions of firms and households and to granting some degree of fiscal relief to poorer jurisdictions.

Candidate capacity measures for the second equalization policy are Total Taxable Resources and Export-Adjusted Income.[23] Both of these indices provide estimates of the tax revenue available to jurisdictions with identical tax burdens on their residents, given certain assumptions and qualifications.

A key distinction between the two equalization policies is that the goal underlying the RTS/RRS can be said to apply to governments, while the other is focused on the individual residents of jurisdictions.[24] The issue here is the appropriateness of a distinction between the ability of residents to pay taxes and the ability of their government to collect them. The ability of residents to pay taxes is understood in this analysis to depend on their comprehensive income and their ability to export part of their tax burden. Two key determinants of this taxpaying ability are thus the level of resident income and the rate at which residents can shift their taxes to nonresidents. On the other hand a government's ability to collect taxes, as measured by the RTS/RRS, depends on the explicit fiscal policies of the states as a whole and the composition of taxable resources, apart from the split in such resources between resident voters and nonresident taxpayers.

Recalling that a key purpose of equalization is to equalize potential public spending (i.e., the ability to spend), or at the least to raise potential spending levels in jurisdictions that are the farthest beneath the national average, each index responds differently to the question of how the composition of taxable resources affects public spending, aside from preferences for public services.

In the TTR/EAI framework, the primary factor is the resident taxpayers' share of total tax revenues; the lower their share, the more likely they are to vote for public spending, given the same resident income, according to the TTR and EAI indices. In the RTS/RRS framework, governments will spend more if their total tax base has proportionately more of those types of tax bases which are taxed at relatively higher national average rates, regardless of resident income's proportional role in total resources.

To illustrate this distinction, suppose two states have the same per capita income, but one consists entirely of wages while the other is half wages and half the profits (rental income) of oil wells. TTR and EAI will register equal capacity for these two states, while the RTS/RRS will predict that the oil state will spend more (other things equal) and thus should receive a smaller share of grant funds under an equalization program. On the other hand, consider two states with equal RTS scores and equal state personal income, where one state is able to export more of its taxes than the other. TTR and EAI will "predict" (so to speak) that the higher exporter will spend more and thus should get less money under the federal grant program. The RTS will make no such distinction. Both cases are eminently plausible. Economic theory does not point decisively to either approach as indubitably correct at this point in time. In fact, the theory is insufficiently well-developed to encompass both types (exporting and the composition of taxable resources) of phenomena.

Thus the debate over the superiority of the choice of equalization concept and, consequently, capacity measurement hinges in large part on the theoretical question of what determines the level of state and local spending on public services—quite apart from citizen preferences for such services.

An example shows why it is not possible to perform both types of measurement—capacity given common resident tax burdens or capacity in light of diverse types of income and tax bases—in the same index. This also emphasizes the essential difference between the two type of measures: TTR/EAI vs. RTS/RRS. Considering two jurisdictions with no tax exporting, assume that they have equal per capita income levels. In terms of residents' ability to pay taxes, which is consistent with the TTR and EAI approach, the two jurisdictions are identical. However, supposing the composition of their incomes differed (and it was observed that some types of income sources, such as wages, were more easily taxed than other types, such as Social Security payments) it would be concluded in this light that their fiscal capacity also differed. (A difficulty here is that "ease of taxation" has never been defined precisely.)

But to alter the capacity assessment according to the "taxability" of types of income or the size of statutory tax bases violates the first principle of focusing on the ability of residents to pay taxes. The wage earner parts with his or her tax dollar with as much sorrow as the payer of a tax on transfer payments. If their incomes are equal, they should be regarded as taxpaying equals. How "easy" it is for their government to tax one as opposed to the other is a separate question.

Theoretically, it should be possible in capacity measurement to discriminate among types of nonresident incomes according to the mobility of the tax bases associated with these incomes. In other words, a nonresident-owned oil well is less mobile than a nonresident wage earner, so an increase in rates for both may yield differing increases in revenue. Although the analytical machinery for estimating these effects is not well advanced, it is at least conceptually possible to inject greater realism into an ability-to-pay approach that takes account of tax exporting.

NOTES

[1]The Bureau of Economic Analysis of the U.S. Department of Commerce provides personal income data on a yearly basis for regions, states, metropolitan areas, and counties, including income components by type and by major industrial category, in the series *Local Area Personal Income*.

[2]See "Experimental Estimates of Gross State Product by Industry", Bureau of Economic Analysis, Staff Paper 42, U.S. Department of Commerce, May 1985.

[3]See "The Total Taxable Resources Definition of State Revenue-Raising Ability" by Max B. Sawicky, "Experimental Estimates of Total Taxable Resources" by John T. Carnevale Office of State and Local Finance, U.S. Department of the Treasury, in *Federal-State-Local Fiscal Relations, Technical Papers*, Volume 1, September 1985, and "Gross State Product: A Measure of Fiscal Capacity," by Robert H. Aten, in *Measuring Fiscal Capacity*, H. Clyde Reeves ed., Oelgeschlager, Gunn & Hain, Inc., forthcoming.

[4]See "Improved Measures of State Fiscal Capacity: Short-Term Changes in the PCI and RTS Indices" by Stephen M. Barro in *Federal-State-Local Relations*.

[5]See Appendix E in ACIR. *Measuring State Fiscal Capacity*, (M-150).

[6]*"Measuring Metropolitan Fiscal Capacity and Effort: 1967-1980,"* ACIR, Staff Working Paper 1, July 1983.

[7]See "Local Government Fiscal Capacity Measures: A Profile of State Studies," by the Texas Advisory Commission on Intergovernmental Relations, in *Federal-State-Local Fiscal Relations*.

[8]Stephen M. Barro, "State Fiscal Capacity: An Assessment of Measurement Methods," prepared for the U.S. Department of Housing and Urban Development, April 1984.

[9]Letter to Robert W. Rafuse, Office of State and Local Finance, U.S. Department of the Treasury, March 1, 1985.

[10]"Effective" refers to the standardized base, allowing interjurisdictional comparisons. Because the bases used to calculate property and income taxes (for instance) vary so much from place to place, the statutory tax rate is misleading for interjurisdictional comparisons. Note that "effective" tax rates do not refer to the ultimate burden of taxation (in technical terms, the incidence), when taxes are passed on from businesses to consumers, for example.

[11]Export-Adjusted Income is a microeconomic concept founded on the theory of the state-local budget constraint. It is an effort to represent the actual choices facing individual decision-making voters; in particular, the budget constraint is a way of describing the diverse combinations of disposable income (i.e., net of federal taxes) and state-local tax revenue that are possible in a jurisdiction.

[12]As noted in "State Fiscal Capacity: An Assessment of Measurement Methods," by Stephen M. Barro, prepared for the U.S. Department of Housing and Urban Development, April 1984.

[13]See Robert D. Reischauer, *Rich Governments—Poor Governments*, unpublished manuscript, The Brookings Institution, Washington, DC, 1974, and Aten.

[14]In particular, see Chapter VIII of *Federal-State-Local Relations*, and Carnevale, and Sawicky in Technical Papers, Volume 1.

[15]Carnevale.

[16]In particular, see Barro, 1984, and Ladd, et al.

[17]For an application to U.S. cities, see Ladd, et al.

[18]ACIR, *Measures of State and Local Fiscal Capacity and Tax Effort*, M-16, Washington, DC, U.S. Government Printing Office, 1962. See also, *Measuring the Fiscal Capacity and Effort of State and Local Areas*, M-58, 1971; ACIR, *Tax Capacity of the Fifty States: Methodology and Estimates*, M-134, March 1982; ACIR, *1981 Tax Capacity of the Fifty States*, A-93, September 1983; *1982 Tax Capacity of the Fifty States*, M-142, May 1985; ACIR, *1983 Tax Capacity of the Fifty States*, M-148, April 1986; and ACIR, *Measuring State Fiscal Capacity*, M-150, September 1986.

[19]It would be possible to calculate GSP on a quarterly basis for the purpose of reflecting in a sensitive way the fluctuations of income in areas prey to volatile economic developments. For the concern with chronic below-average development, however, a yearly index would be sufficient.

[20]*Devolving Federal Program Responsibilities and Revenue Sources to State and Local Governments*, A-104, ACIR, Washington, DC, U.S. Government Printing Office, March 1986.

[21]See, e.g., John Coons, William Clune, III, and Stephen Sugarman, *Private Wealth and Public Education*, Harvard University Press, Cambridge, MA, 1970. However, some analysts have identified long-term forces tending to reduce such horizontal inequities. The desire to live in communities with low tax rates yet high public service levels can, for example, drive up land prices in these fortunate locations.

[22]Some of the migration just described is, however, self-limiting. All else equal, migration into communities with high tax bases will bid up the cost of living and working there, reducing these areas' attractiveness.

[23]For a theoretical motivation for EAI, see Barro, 1984. TTR is introduced in Treasury, 1985, in Sawicky, and in Carnevale.

[24]See "A Commentary on Alternative Approaches to the Measurement of State and Local Fiscal Capacity," by Douglas Clark in ACIR (M-142).

Appendix B

Tax Base Definitions, Tax Bases, and Sources for the1985 RTS and RRS Fiscal Capacity Estimates

In this appendix, each tax is defined, the tax base or tax base proxy is described, and data sources are listed. The tax definitions are those used by the U.S. Department of Commerce, Bureau of the Census. With few exceptions, all the data on the states and local tax collections were supplied by publications of the Census Bureau: *State Government Tax Collections in 1985, Governmental Finances in 1984-85,* and *State Government Finances in 1985.* Some unpublished data on various tax components were provided by the Census Bureau and state revenue departments.

RTS BASES

1. General Sales or Gross Receipts Taxes

Definition: Sales or gross receipt taxes generally applicable to all types of goods and services.

Taxes imposed distinctively upon sales of selected commodities are reported separately under selective sales taxes. West Virginia's sales tax receipts (as reported by the Bureau of the Census) from a "business and occupations" tax on the coal industry were deleted from the sales tax and apportioned to the severance tax.

Tax Base: General retail sales of retail trade and selected service businesses.

All establishments engaged in selling merchandise for personal or household consumption are included. Service businesses included here are hotels and motels; amusement and recreation services including motion pictures; and personal services, such as laundries, and beauty and barber shops.

Excluded from this base are sales of food and drugs which are commonly tax exempt. Because of data limitation, sales of gasoline have not been excluded, although they are usually taxed separately. In general, states have retail sales and gross receipts tax bases broader than the one defined here because they cover more transactions, such as public utility sales, wholesale trade or construction contractors. As a result, the rate used for the representative tax system is higher than the actual effective rate.

State-by-state sales of selected service industries for 1985 were estimated by allocating the 1985 national total according to the 1982 shares adjusted for the change in personal disposal income between 1982 and 1985.

Sources:

Retail Sales (1985): Sales and Marketing Management Magazine, *1986 Survey of Buying Power*, New York, NY, 1986.

Service Sales (1982): U.S. Department of Commerce, Bureau of the Census, *Census of Business, Selected Services-Area Statistics* (1982), Washington, DC, 1984.

Service Sales (1985): U.S. Department of Commerce, Bureau of the Census, *Current Business Reports, 1985 Service Annual Survey*, Washington, DC, August 1986.

Disposable Income (1985): U.S. Department of Commerce, Bureau of Economic Analysis, *Survey of Current Business*, Washington, DC, August 1986.

2. Selective Sales and Gross Receipts Taxes (Tax levies selectively imposed on particular kinds of commodities or business.)

2A. Motor Fuels

Definition: Selective sales and gross receipts taxes on gasoline, diesel oil, and other fuels used in motor vehicles, including aircraft fuel.

Tax Base: Total quantity of motor fuel consumed in gallons; starting this year net of use by subnational governments, which are not subject to state-local taxation.

Source: U.S. Department of Transportation, Federal Highway Administration, *Selected Highway Statistics and Charts—1985*, Motor Fuel Use—1985, Washington, DC, 1986.

2B. Alcoholic Beverages

Definition: Selective sales and gross receipts taxes on alcoholic beverages.

Tax Base: The overall tax base is based on three components of consumption (beer, wine, and distilled spirits), each of which was separately estimated. The tax burden on each of these categories of alcoholic beverages was estimated by using data supplied by the Distilled Spirits Council in conjunction with Census data for all alcoholic beverages.

Sources:

Tax Burden by Class of Beverage: Distilled Spirits Council of the United States, *1985-1986 Public Revenues from Alcohol Beverages*, Washington, DC, 1986.

Distilled Spirits Consumption: Distilled Spirits Council of the United States, *Annual Statistical Review 1985*, Washington, DC, 1986.

Beer Consumption (1985): United States Brewers Association, *Brewers Almanac 1985*, Washington, DC, 1986.

Wine Consumption (1985): Wine Institute, unpublished data, San Francisco, CA.

2C. Tobacco Products

Definition: Selective sales and gross receipts taxes on tobacco products, including related taxes on cigarette tubes and paper and synthetic cigars and cigarettes.

Tax Base: Number of packages of cigarettes sold.

Source: The Tobacco Institute, *The Tax Burden on Tobacco*, Volume 21, 1986, Washington, DC.

2D. Insurance

Definition: Taxes imposed distinctively on insurance companies and measured by gross premiums or adjusted gross premiums.

Tax Base: Direct written premiums or premium receipts by state for life, health, property, and liability insurance.

Sources:

Life Insurance: American Council of Life Insurance, *Life Insurance Fact Book Update (1985)*, Washington, DC, 1985.

Health Insurance: Health Insurance Association of America, unpublished data, New York, NY, 1986.

Blue Cross and Blue Shield Insurance: The National Underwriter Company, 1985, *Argus Health Chart*, 87th ed., Cincinnati, OH, 1985.

Property and Liability Insurance: Insurance Information Institute, *1985-86 Property/Casualty Fact Book*, New York, NY, 1985.

2E. Public Utilities

Definition: Taxes imposed distinctively on public telephone, telegraph, power and light companies, and other public utilities, including local government-owned utilities. These taxes are levied on gross receipts, gross earnings, or units of service sold. Public utility license taxes are also included in this category.

Tax Base: Gross revenues of all electric, gas, and telephone companies. Electric and gas revenues are for all publicly owned and private companies. Because telephone revenues for the Bell System and the independent telephone companies are not available on a state-by-state basis, the national total of telephone revenues was

allocated to the states according to a weighted average of the number of access lines and the number of toll calls.

Sources:

Gas Utility Revenues: American Gas Association, *Gas Facts—1985*, Arlington, VA, 1986.

Electric Utility Revenues: Edison Electric Institute, *Advance Release of Data for the 1985 Statistical Yearbook of the Electric Utility Industry*, Washington, DC, 1986.

Telephone Revenues and Number of Telephones: United States Telephone Association, *Telephone Statistics, 1986*, Washington, DC, July 1985.

AT&T Revenues: American Telephone and Telegraph Company, *1985 Annual Report*, New York, NY, 1986.

Number of Local Calls and Toll Calls: Federal Communications Commission, *Statistics of Communications Common Carriers—1985*, Washington, DC, 1986.

2F. Parimutuels
Definition: Taxes measured by amounts wagered at race tracks, including "breakage" collected by the government.

Tax Base: Parimutuel turnover from horse and dog racing and jai alai.

Source: National Association of State Racing Commissioners, *Parimutuel Racing, 1985*, Lexington, KY, 1986.

2G. Amusements
Definition: Selective sales and gross receipts taxes on admission tickets or admission charges and on gross receipts of all or specified types of amusement businesses (including gambling operations). License taxes on amusement business are also included.

Tax Base: Receipts of establishments that provide amusement and entertainment services. Movie theater receipts and casino revenues are included. Gambling receipts for hotels are classified in the general sales tax base.

State-by-state 1985 data for amusement receipts derived by allocating the 1985 national total according to the 1982 state shares adjusted for the change in disposable personal income between 1982 and 1985.

Sources:

Amusement Receipts (1982): U.S. Department of Commerce, Bureau of the Census, *Census of Business, Selected Services—Area Statistics* (1982), Washington, DC, 1984.

Amusement Receipts (1985): U.S. Department of Commerce, Bureau of the Census, *Current Business Reports, 1985 Service Annual Survey*, Washington, DC, August 1986.

Disposable Income (1985): U.S. Department of Commerce, Bureau of Economic Analysis, *Survey of Current Business*, Washington, DC, August 1986.

3. License Taxes (Taxes levied at a flat rate for either raising revenue or regulation.)

3A. Motor Vehicles
Definition: License taxes imposed on owners or operators of motor vehicles for the right to use public highways, including charges for registration and inspection and vehicle mileage and weight taxes on motor carriers.

Tax Base: Number of registrations for private and commercial vehicles. The base for this tax was allocated to the states according to (1) the number of automobiles and (2) the number of trucks registered. The total tax revenue reported by the Census Bureau was apportioned to these two classes of vehicles according to data supplied by the Federal Highway Administration.

Sources:

Tax Burden on Automobiles and Trucks, and Automobile and Truck Registrations: U.S. Department of Transportation, Federal Highway Administration, *Highway Statistics 1985*, State Motor-Vehicle and Motor Carrier Tax Receipts, 1985, Table MV-2; and State Motor Vehicle Registrations, 1985, Table MV-1, Washington, DC, October 1986.

3B. Motor Vehicle Operators
Definition: Licensing for the privilege of driving motor vehicles, including both private and commercial licenses.

Tax Base: Estimated number of licenses in force.

Source: U.S. Department of Transportation, Federal Highway Administrations, *Highway Statistics 1985*, Estimated Licensed Drivers, by Sex, 1985, Table DL-1A, Washington, DC, October 1986.

3C. Corporations

Definition: Franchise license taxes, organization, filing and entrance fees, and all other license taxes which are applicable, with only specified exceptions, to all corporations.

Tax Base: Number of corporations within a state, including nonprofit corporations.

Source: U.S. Department of the Treasury, Commissioner and Chief Counsel, Internal Revenue Service, *Highlights of 1986*, Washington, DC, 1987.

3D. Alcoholic Beverages

Definition: License taxes for manufacturing, importing, wholesaling, and retailing alcoholic beverages other than those based on volume or value of transactions or assessed value of property.

Tax Base: Number of retail licenses issued for the sale of distilled spirits. The number does not include licenses for the exclusive sale of beer and wine. Series has changed slightly from that used in previous years; comparability is not affected.

Source: Distilled Spirits Council of the United States, *Annual Statistical Review 1985*, Washington, DC, 1986.

3E. Hunting and Fishing Licenses

Definition: Commercial and noncommercial hunting and fishing licenses and shipping permits.

Tax Base: Total number of fishing and hunting licenses, tags, permits and stamps issued.

Source: U.S. Department of Interior, Fish and Wildlife Service, *1985 Hunting and Fishing License Statistics*, Washington, DC, 1986.

4. Individual Income Tax

Definition: Taxes on individuals measured by income and taxes distinctively imposed on special types of income (e.g., interest, dividends, intangibles, etc.).

Tax Base: Total federal income tax liability of state residents, adjusted for deductibility of state and local income, sales, and property taxes. Federal income tax liability is essentially the total amount of federal income taxes paid by individuals after credits. Because it is prevailing state practice to allow income tax credits for taxes paid to states other than the state of residence, residency adjustments were made to account for both the income taxes collected from nonresidents and credits allowed to residents for taxes paid to other states. The federal income tax liability for each state was adjusted by the ratio of the BEA residency adjustment to resident personal income.

Sources:

Income Tax: U.S. Department of the Treasury, Internal Revenue Service, *Statistics of Income Bulletin, 1985 Income Tax Returns, Preliminary Data*, Washington, DC, Winter 1986-87.

Residency Adjustment: U.S. Department of Commerce, Bureau of Economic Analysis, *Survey of Current Business*, Washington, DC.

Deductibility Adjustment: 1982 gross savings for deductibility from ACIR Discussion Draft, *Federal Income Tax Deductibility of State and Local Taxes*, June 1985, projected to 1985. Growth in deductible taxes from *Government Finances in 1984-85*; 1985 total deducted from *President's Budget for FY 1986, Special Analysis G.*

5. Corporate Income Tax

Definition: Taxes on corporations and unincorporated businesses measured by net income.

Tax Base: Total national net income for each 35 Standard Industrial Classification (SIC) industries was allocated to the states according to the following procedure:

Nationwide net corporate income (1985) was estimated for each of the 35 SIC industries by using profit data (BEA) for each industry. For each industry, the typical three factor formula—one-third payroll, one-third property, one-third sales by destination—should be used to allocate each industry's national income to the states. However, data for corporate property and sales by state are not available and proxies had to be used to estimate these factors in the formula for each industry. Payroll data by industry, by state, and retail sales data formed the basis for the proxies which were utilized.

For the property factor of the formula, property was assumed to be distributed identical to payroll. Hence, the payroll factor was used as a proxy for property; thus payroll was double-weighted in the

formula. State data on the manufacturing industries indicate that there is a high correlation between the payroll and gross assets of industries across states.

Because corporate sales by destination are unlikely to mirror either payroll or retail sales, neither of these proxies was used to estimate the sales factor in the formula. Instead, through use of payroll breakdowns by industry by state and a national input-output table for 1977, a proxy for sales was derived according to the following procedure:

Let:

$X(i,c)$ = The percentage of the dollar value of industry i's output that is commodity c.

$Y(c,j)$ = The percentage of the total dollar value of commodity c used as an input in industry j. Where c is not used as an intermediate input, but is purchased by consumers, "personal consumption expenditures" constitute the 36th industry.

Then: $\sum_{c=1}^{36} [X(i,c) \times Y(c,j)] = A(i,j)$

Where $A(i,j)$ = the percentage of industry i's output purchased by industry j. When j is personal consumption expenditures, $A(i,j)$ is the amount of industry i's output that is sold as final goods.

Now let:

$S(w,j)$ = the percentage of industry j's payroll located in state w. Where industry j is personal consumption expenditures, let j equal state w's share of total national retail sales.

Then: $\sum_{j=1}^{36} [S(w,j) \times A(i,j)] = K(w,i)$

Where $K(w,i)$ = the share of industry i's output sold in state w.

Thus, $K(w,i)$ is used as a proxy for the sales-by-destination factor in the three-factor formula.

The three-factor formula is applied to the estimated total income for each industry to determine each state's income apportionment and summed over all industries to derive each state's total corporate income tax base.

Let $I(i)$ = Total income for industry i.

Then:

$I(w,i)$ = $I(i) \times [(1/3) \times K(w,i)] \times [(2/3) \times S(w,i)]$

= The income of industry i apportioned to state w.

And: $I(w) = \sum_{i=1}^{35} I(w,i)$

= The total corporate income for all industries allocated to state w.

Sources:

Corporate Profits (1985) By Industry: U.S. Department of Commerce, Bureau of Economic Analysis, unpublished data. Definitions changed slightly from those in previous years. Comparability is not affected.

Payroll (1985): U.S. Department of Commerce, Bureau of Economic Analysis, *Survey of Current Business*, Washington, DC, August 1986.

Input-output Tables (1977): U.S. Department of Commerce, Bureau of Economic Analysis, *Survey of Current Business*, Washington, DC, May 1984, Tables 1 and 2.

6. Property Taxes. The property tax is separated into four different components—residential, commercial, farm, and public utility. Each is estimated individually. The allocation of total property taxes among the various

classes of property are approximations based on assessed values for 1981, except for farm property taxes which are annually estimated by the Department of Agriculture. The Census Bureau does not provide a break-down of property tax payments by class of property.

6A. Residential Property

Definition: Taxes conditioned upon the ownership of single family houses not on farms and multifamily residences excluding motels and hotels. Residential property tax rates are applied to the combined value of buildings and land: The residential share of the property tax burden was estimated by the residential share of assessed value of the property in 1981. This share was applied to the total of 1985 property tax collections, after deduction of farm property taxes to derive residential property tax receipts.

Tax Base: Estimated residential property values for single family and multifamily residences: 1985 property values were estimated by extrapolating the 1981 estimated market value of each state's residential property to 1985 based on the change in the average purchase prices of single family dwellings between 1981 and 1985.

To the estimated market value of existing residential property (1985), the value of newly constructed housing for 1985 was added. The value of newly constructed housing was inflated so as to reflect the value of the associated land.

Sources:

Property Values (1981): U.S. Department of Commerce, Bureau of the Census, *1982 Census of Governments, Taxable Property Values and Assessments-Sales Price Ratios*, Washington, DC, February 1984.

Single Family Home Purchase Prices 1981-85: Federal Home Loan Bank Board, *Mortgage Interest Rate Survey, Characteristics of Conventional Fully Amortized First Mortgage Loans Closed on Single Family Homes*, unpublished, Washington, DC, 1986.

Value of New Residential Construction Contracts: U.S. Department of Commerce, Bureau of the Census, *Statistical Abstract of the United States*, 107th ed., Table No 1294, Construction Contracts—Value, by States, Washington, DC, 1986.

Value of Site Relative to Total Home Value: U.S. Department of Housing and Urban Development, Federal Housing Administration, *FHA Homes 1985—Data for States and Selected Areas on Characteristics of FHA Operations Under Section 203*, Washington, DC.

6B. Commercial and Industrial Property

Definition: Taxes conditioned upon the ownership of commercial and industrial property (excluding public utilities) based on the value of land, buildings, equipment, inventories, and depletable assets such as the value of mineral property, oil and gas wells, other natural deposits, etc.. The tax burden on business property was derived by applying the percentage of 1981 gross assessed value of business property to the total of 1985 property tax collections.

Tax Base: Estimated net book value of assets including inventories, depreciable assets, depletable assets, and land of corporations. Property values for partnerships and other unincorporated businesses, farms, and public utilities is not included. Railroad property is included.

The national 1985 net book values for 35 SIC industry groupings were estimated by applying to the 1982 values the change between 1982 and 1985 in new book values of property assets. Because data are not available for transportation, finance, or service industries, their book values were inflated by the changes in their respective total payrolls between 1982 and 1985. The estimated corporate property values for each industry were allocated to the states according to each state's share of each industry's payroll. The sum of all the individual industry property values was used as an estimate of each state's commercial-industrial property tax base.

Sources:

Book Value of Assets (1982): U.S. Department of Treasury, Internal Revenue Service, *Corporation Source Book of Statistics of Income*, Washington, DC, 1985.

Book Value of Assets, Selected Industries (1982-85): U.S. Census Bureau, *Quarterly Financial Report for Manufacturing, Mining and Trade Corporations*, Washington, DC, 4th quarter, 1984, and 4th quarter, 1985.

Payroll by Industry by State: U.S. Department of Commerce, Bureau of Economic Analysis, *Survey of Current Business*, Washington, DC, August 1986.

6C. Farm Real Estate

Definition: Taxes conditioned on the ownership of farm realty and farm personal property such as livestock, crop inventories, and farm equipment.

Tax Base: Estimated value of farm land and buildings.

Sources:

Farm Values: U.S. Department of Commerce, Bureau of the Census, *Statistical Abstract of the United States*, 107th ed., Table # 1135, Washington, DC, 1986.

Farm Property Taxes: U.S. Department of Agriculture, Economic Research Service, Washington, DC, unpublished data.

6D. Public Utilities

Definition: Taxes conditioned on investor ownership of public utilities such as gas, electric, and telephone companies. Public utility property tax rates are applied on the combined value of buildings, equipment, material, and land.

Tax Base: Because individual state data are not available, each state's public utility property tax base was based on a proxy measure consisting of the sum of gas, electric, and telephone company nonfinancial assets, estimated as follows:

1. Gas company net assets were allocated to each state according to its share of the total number of miles of gas pipeline.

2. Electric company net assets were allocated to each state according to its share of the total investor-owned electrical generating capacity.

3. Telephone company net assets were allocated to each state according to its share of the total number of access lines.

Sources:

Gas Company Net Assets and Gas Pipeline Mileage: American Gas Association, *Gas Facts, 1985*, Arlington, VA, 1986.

Electric Company Net Assets and Electrical Generating Capacity: Edison Electric Institute, *1985 Statistical Yearbook of the Electric Utility Industry*, Washington, DC, 1986. Reporting of assets is changed from that in previous years. Comparability is not affected.

Bell System Net Assets: American Telephone and Telegraph Company, *1985 Annual Report*, New York, NY 1986.

Independent Telephone Company Net Assets and Number of Telephones: United States Independent Telephone Association, *Telephone Statistics 1986 for the Year 1985*, Washington, DC, July 1986.

7. Estate and Gift Taxes

Definition: Taxes imposed on the transfer of property at death, in contemplation of death, or as a gift.

Tax Base: Federal estate and gift tax liability. Because the federal estate laws are applied uniformly over the states, a given state's liability should reflect the size of its base. This treatment can also be justified because many states limit their estate taxes to the amount of credit permitted by the federal government for the state taxes.

Source: US Department of the Treasury, Commissioner and Chief Counsel, Internal Revenue Service, *Highlights of 1986*, Washington, DC, 1987.

8. Severance Taxes

Definition: Taxes imposed distinctively on the removal of natural products—e.g., oil, gas, and other minerals. The Alaskan special tax on pipeline property and the state's unique oil and gas corporate income tax have been included, as well as New Mexico's property tax on oil and gas production equipment and West Virginia's business tax on coal companies. Taxes imposed on resources other than minerals such as water, timber, or fish, have been excluded.

Because oil and gas, coal, and nonfuel minerals are taxed at substantially different rates, they are each estimated individually—a separate representative tax rate and base were measured for each of the three severance categories. For 1985, the estimation of bases was refined. Comparability with past estimates is good, except for Alaska.

Tax Base: For each category—oil and gas, coal, and nonfuel minerals—the base was estimated by the value of production.

Sources:

Value of Mineral Production, Except Fuels: U.S. Department of Interior, Bureau of Mines, *Preprint Proxy to the 1985 Minerals Yearbook*, Washington, DC, 1986.

Oil Production: U.S. Department of Energy, Energy Information Administration, *Petroleum Supply Annual, 1985,* Washington, DC, 1986.

Oil Wellhead Prices by State: U.S. Department of Energy, Energy Information Administration, *Petroleum Marketing Monthly,* December 1986.

Value of Gas Production: U.S. Department of Energy, Energy Information Administration, *Natural Gas Annual, 1985,* Washington, DC 1986.

Coal Productions and Prices: U.S. Department of Energy, Energy Information Administration, *Coal Production—1985,* Washington, DC, 1986.

Value of Uranium Production: U.S. Department of Energy, Energy Information Administration, *Uranium Industry Annual, 1985,* Washington, DC, October, 1986.

ADDITIONAL BASES FOR THE RRS

9. All Other Taxes

Definition: A variety of minor taxes remaining after the RTS taxes are excluded from the total.

Tax Base: Total personal income, 1985.

Source: U.S. Department of Commerce, Bureau of Economic Analysis, *Survey of Current Business,* August 1986.

10. Rents and Royalties

Definition: Payments for state-owned mineral resources not included under severance taxation and excluding revenues received under the federal *Mineral Leasing Act.* Actual revenues used as the base, so the effort index is always 100.

Base: Actual rent and royalty revenues.

Source: U.S. Department of Commerce, Bureau of the Census, *State Government Finances in 1985.*

11. Payments under *Mineral Leasing Act*

Definition: Payments from the federal government under the *Mineral Leasing Act.* As before, actual revenues were used as the base, so the effort index is always 100, when payments are made.

Base: Actual mineral leasing act revenues.

Source: U.S. Department of Commerce, Bureau of the Census, *Federal Expenditures by State for FY 1985.*

12. User Charges

Definition: The Census category of "current charges," which comprises amounts received for the performance of specific services benefiting those charged and for sales of goods and services. State insurance, liquor, and utility receipts are excluded. Distinguished from license taxes, which relate to the granting of privileges and regulatory activities.

Base: Total personal income, 1985.

Source: U.S. Department of Commerce, Bureau of Economic Analysis, *Survey of Current Business,* August 1986.

Appendix C

Summary Tax Tables for Past Years

This appendix provides summary information on total RTS taxes for past years 1975, 1977, 1979, 1980, 1981, 1982, 1983 and 1984. Explanations of the data concepts appear in the introduction to Appendix B.

The data for 1979 and 1980 are from the ACIR report, *Tax Capacity of the Fifty States, Supplement: 1980 Estimates,* released in mimeograph form in June 1982. The 1981 data are taken from *1981 Tax Capacity of the Fifty States*. A-93, published in September 1983. That report also contains the revisions of the 1975 and 1977 data which are reprinted here. The 1982 data are taken from *1982 Tax Capacity of the Fifty States*, M-142, published in May 1985, and the 1983 data from *1983 Tax Capacity of the States*, M-148, published April 1986. Finally, the 1984 data were published in the September 1986 report, *Measuring State Fiscal Capacity: Alternative Methods and Their Uses,* M-150.

Table C-1

1975—ALL RTS TAXES

State	Capacity per Capita	Tax Capacity Index	Tax Capacity	Tax Revenue	Revenue Per Capita	Tax Effort Index
Alabama	$490.08	77.1	$1,803,982	$1,424,116	$386.88	78.9
Alaska	981.95	154.6	363,323	277,936	751.18	76.5
Arizona	585.52	92.2	1,338,497	1,443,212	631.33	107.8
Arkansas	497.30	78.3	1,073,169	840,383	389.43	78.3
California	699.02	110.0	15,054,715	17,969,933	834.37	119.4
Colorado	671.48	105.7	1,736,440	1,564,065	604.82	90.1
Connecticut	700.92	110.3	2,162,327	2,134,842	692.01	98.7
Delaware	790.76	124.5	465,757	389,532	661.34	83.6
Washington, DC	747.40	117.6	530,657	496,991	699.99	93.7
Florida	650.27	102.4	5,554,613	4,107,125	480.82	73.9
Georgia	544.86	85.8	2,756,450	2,441,749	482.65	88.6
Hawaii	689.84	108.6	609,814	726,500	821.83	119.1
Idaho	564.82	88.9	469,931	421,477	506.58	89.7
Illinois	713.66	112.3	8,068,641	7,999,697	707.56	99.1
Indiana	622.39	98.0	3,330,402	3,064,328	572.66	92.0
Iowa	675.38	106.3	1,945,765	1,811,807	628.88	93.1
Kansas	690.28	108.7	1,573,152	1,335,591	586.04	84.9
Kentucky	540.05	85.0	1,873,428	1,581,159	455.80	84.4
Louisiana	617.71	97.2	2,401,041	2,080,583	535.27	86.7
Maine	536.30	84.4	575,454	596,499	555.92	103.7
Maryland	639.90	100.7	2,660,067	2,808,549	675.62	105.6
Massachusetts	623.06	98.1	3,590,086	4,616,687	801.23	128.6
Michigan	638.89	100.6	5,818,967	6,187,606	679.36	106.3
Minnesota	617.62	97.2	2,424,761	2,848,204	725.47	117.5
Mississippi	445.05	70.0	1,068,098	1,021,459	425.61	95.6
Missouri	608.52	95.8	2,917,841	2,440,224	508.91	83.6
Montana	652.69	102.7	488,863	449,477	600.10	91.9
Nebraska	670.52	105.5	1,033,272	876,035	568.48	84.8
Nevada	918.52	144.6	569,481	398,989	643.53	70.1
New Hampshire	651.19	102.5	540,491	406,020	489.18	75.1
New Jersey	690.15	108.6	5,066,366	5,206,910	709.29	102.8
New Mexico	613.19	96.5	713,143	605,877	520.96	85.0
New York	622.39	98.0	11,223,009	17,913,237	993.41	159.6
North Carolina	542.67	85.4	3,003,668	2,578,457	465.85	85.8
North Dakota	643.65	101.3	410,649	379,678	595.11	92.5
Ohio	659.55	103.8	7,103,356	5,647,583	524.38	79.5
Oklahoma	623.30	98.1	1,727,796	1,261,183	454.97	73.0
Oregon	634.59	99.9	1,475,413	1,415,956	609.01	96.0
Pennsylvania	625.29	98.4	7,439,723	6,918,119	581.45	93.0
Rhode Island	558.88	88.0	528,699	593,201	627.06	112.2
South Carolina	490.18	77.2	1,421,530	1,211,446	417.74	85.2
South Dakota	600.14	94.5	408,698	356,999	524.23	87.4
Tennessee	531.08	83.6	2,262,941	1,785,640	419.07	78.9
Texas	702.19	110.5	8,825,148	6,026,158	479.48	68.3
Utah	547.30	86.1	675,369	602,666	488.38	89.2
Vermont	598.21	94.2	287,139	310,179	646.21	108.0
Virginia	594.01	93.5	3,003,289	2,616,492	517.50	87.1
Washington	621.77	97.9	2,250,187	2,274,869	628.59	101.1
West Virginia	562.63	88.6	1,035,804	883,747	480.04	85.3
Wisconsin	625.01	98.4	2,856,311	3,281,113	717.97	114.9
Wyoming	976.33	153.7	371,004	258,467	680.18	69.7
U.S. Total	$635.32	100.0	$136,888,751	$136,888,752	635.3	100.00

NOTE: All per capita amounts are in dollars; total amounts are in thousands of dollars.

Source: ACIR staff estimates.

Table C-2

1977—ALL RTS TAXES

State	Capacity per Capita	Tax Capacity Index	Tax Capacity	Tax Revenue	Revenue Per Capita	Tax Effort Index
Alabama	$593.58	77.1	$2,245,529	$1,769,938	$467.87	78.8
Alaska	1,219.08	158.3	482,757	627,876	1,585.55	130.1
Arizona	686.96	89.2	1,667,258	1,840,753	758.45	110.4
Arkansas	602.43	78.2	1,329,568	1,037,165	469.94	78.0
California	874.37	113.6	19,542,166	22,781,942	1,019.33	116.6
Colorado	825.29	107.2	2,224,991	2,113,575	783.97	95.0
Connecticut	859.16	111.6	2,653,929	2,725,909	882.46	102.7
Delaware	927.13	120.4	551,643	440,046	739.57	79.8
Washington, DC	943.73	122.6	643,625	758,483	1,112.15	117.8
Florida	775.16	100.7	6,890,430	5,023,208	565.10	72.9
Georgia	647.45	84.1	3,374,503	3,003,345	576.24	89.0
Hawaii	821.47	106.7	752,465	861,744	940.77	114.5
Idaho	676.80	87.9	597,611	533,846	604.58	89.3
Illinois	864.20	112.2	9,857,026	9,502,926	833.15	96.4
Indiana	772.72	100.4	4,176,534	3,457,834	639.75	82.8
Iowa	806.36	104.7	2,349,737	2,123,162	728.61	90.4
Kansas	810.35	105.3	1,878,395	1,665,636	718.57	88.7
Kentucky	637.90	82.9	2,280,502	1,917,163	536.27	84.1
Louisiana	765.99	99.5	3,076,226	2,415,321	601.42	78.5
Maine	634.52	82.4	701,139	703,361	636.53	100.3
Maryland	777.52	101.0	3,261,709	3,435,116	818.86	105.3
Massachusetts	734.19	95.4	4,217,186	5,588,114	972.86	132.5
Michigan	793.08	103.0	7,262,259	71,929,331	865.93	109.2
Minnesota	772.76	100.4	3,075,568	3,448,180	866.38	112.1
Mississippi	538.48	69.9	1,324,661	1,239,532	503.87	93.6
Missouri	735.91	95.6	3,565,494	2,865,258	591.38	80.4
Montana	791.47	102.8	610,223	574,983	745.76	94.2
Nebraska	780.39	101.4	1,212,729	1,187,139	763.92	97.9
Nevada	1,137.08	147.7	770,941	475,982	702.04	61.7
New Hampshire	781.90	101.6	681,819	494,980	567.64	72.6
New Jersey	813.94	105.7	5,975,958	6,732,640	917.00	112.7
New Mexico	756.10	98.2	926,222	710,829	580.27	76.7
New York	721.72	93.7	12,884,164	21,655,653	1,213.07	168.1
North Carolina	638.39	82.9	3,618,395	3,162,884	558.02	87.4
North Dakota	758.62	98.5	492,346	432,129	665.84	87.8
Ohio	799.80	103.9	8,614,618	6,756,882	627.32	78.4
Oklahoma	779.33	101.2	2,233,548	1,617,975	564.54	72.4
Oregon	800.19	103.9	1,951,653	1,799,508	737.81	92.2
Pennsylvania	760.70	98.8	9,038,590	8,471,665	712.98	93.7
Rhode Island	672.19	87.3	641,936	728,774	763.11	113.5
South Carolina	589.70	76.6	1,762,600	1,519,733	508.44	86.2
South Dakota	697.84	90.6	480,812	415,949	603.70	86.5
Tennessee	637.57	82.8	2,806,595	2,311,205	525.04	82.3
Texas	860.02	111.7	11,345,393	7,747,713	587.30	68.3
Utah	680.01	88.3	894,889	815,133	619.40	91.1
Vermont	712.42	92.5	350,512	363,583	738.99	103.7
Virginia	703.88	91.4	3,664,401	3,211,306	616.85	87.6
Washington	773.24	100.4	2,916,647	2,737,202	725.66	93.8
West Virginia	690.64	89.7	1,316,354	1,054,923	553.47	80.1
Wisconsin	765.95	99.5	3,533,317	4,009,596	869.19	113.5
Wyoming	1,182.29	153.6	487,104	397,573	964.98	81.6
U.S. Total	$769.91	100.0	$169,194,702	$169,194,703	$769.91	100.0

NOTE: All per capita amounts are in dollars; total amounts are in millions of dollars.

Source: ACIR staff estimates.

Table C-3

1979—ALL RTS TAXES

State	Capacity per Capita	Tax Capacity Index	Tax Capacity	Tax Revenue	Revenue Per Capita	Tax Effort Index
Alabama	$659.55	76.1	$2,551,780	$2,186,816	$565.22	85.7
Alaska	1,884.16	217.4	757,431	976,989	2,430.32	129.0
Arizona	787.61	90.9	2,078,492	2,382,420	902.77	114.6
Arkansas	670.86	77.4	1,522,184	1,239,775	546.40	81.4
California	1,004.21	115.9	23,353,002	22,107,852	950.67	94.7
Colorado	954.54	110.1	2,719,478	2,615,850	918.16	96.2
Connecticut	940.09	108.5	2,914,284	2,980,583	961.48	102.3
Delaware	948.81	109.5	568,335	542,545	905.75	95.5
Washington, DC	952.06	109.9	624,550	826,071	1,259.25	132.3
Florida	865.82	99.9	8,200,157	6,414,356	677.26	78.2
Georgia	705.01	81.3	3,800,688	3,637,460	674.73	95.7
Hawaii	890.86	102.8	846,320	1,080,086	1,136.93	127.6
Idaho	791.09	91.3	738,084	671,013	719.20	90.9
Illinois	968.90	111.8	11,067,718	10,941,473	957.85	98.9
Indiana	848.82	97.9	4,647,289	3,913,805	714.85	84.2
Iowa	937.42	108.2	2,734,451	2,547,613	873.37	93.2
Kansas	947.68	109.4	2,224,209	1,937,041	825.33	87.1
Kentucky	735.80	84.9	2,681,237	2,324,210	637.82	86.7
Louisiana	896.79	103.5	3,711,826	3,050,210	736.94	82.2
Maine	694.49	80.1	781,295	856,575	761.40	109.6
Maryland	856.87	98.9	3,618,552	3,953,894	936.28	109.3
Massachusetts	809.86	93.4	4,653,452	6,720,404	1,169.58	144.4
Michigan	901.95	104.1	8,342,109	9,443,332	1,021.01	113.2
Minnesota	912.79	105.3	3,685,855	4,253,966	1,053.48	115.4
Mississippi	607.08	70.0	1,522,548	1,469,557	585.95	96.5
Missouri	842.49	97.2	4,118,941	3,380,172	691.38	82.1
Montana	982.07	113.3	774,856	678,141	859.49	87.5
Nebraska	863.25	99.6	1,350,124	1,317,718	842.53	97.6
Nevada	1,330.51	153.5	1,017,838	663,361	867.14	65.2
New Hampshire	834.63	96.3	761,178	596,428	653.98	78.4
New Jersey	885.96	102.2	6,532,180	7,691,389	1,043.18	117.7
New Mexico	894.22	103.2	1,145,494	974,144	760.46	85.0
New York	772.03	89.1	13,614,036	23,275,641	1,319.93	171.0
North Carolina	708.27	81.7	4,109,391	3,736,400	643.98	90.9
North Dakota	940.94	108.6	613,490	476,714	731.16	77.7
Ohio	872.8	100.7	9,425,331	8,125,205	752.40	86.2
Oklahoma	936.85	108.1	2,782,445	2,058,991	693.26	74.0
Oregon	922.22	106.4	2,377,471	2,202,689	854.42	92.6
Pennsylvania	806.49	93.1	9,576,256	10,096,094	850.27	105.4
Rhode Island	727.22	83.9	695,951	842,183	880.03	121.0
South Carolina	656.71	75.8	2,027,258	1,851,868	599.89	91.3
South Dakota	821.98	94.8	566,344	475,426	690.02	83.9
Tennessee	700.99	80.9	3,177,571	2,758,544	608.55	86.8
Texas	1,011.41	116.7	14,045,386	9,045,174	651.34	64.4
Utah	751.97	86.8	1,064,785	1,057,766	747.01	99.3
Vermont	740.13	85.4	374,505	410,027	810.33	109.5
Virginia	803.13	92.7	4,276,688	3,778,280	709.54	88.3
Washington	895.97	103.4	3,595,515	3,463,003	862.95	96.3
West Virginia	800.23	92.3	1,551,655	1,275,262	657.69	82.2
Wisconsin	862.24	99.5	4,023,208	4,755,064	1,019.09	118.2
Wyoming	1,500.69	173.2	678,309	562,055	1,243.49	82.9
U.S. Total	$866.65	100.00	$194,621,665	$194,621,667	$866.65	100.0

NOTE: All per capita amounts are in dollars; total amounts are in thousands of dollars.

Source: ACIR staff estimates.

Table C-4

1980—ALL RTS TAXES

State	Capacity per Capita	Tax Capacity Index	Tax Capacity	Tax Revenue	Revenue Per Capita	Tax Effort Index
Alabama	$718.08	75.7	$2,799,780	$2,384,918	$611.67	85.2
Alaska	2,463.42	259.7	990,293	1,646,202	4,095.03	166.2
Arizona	841.52	88.7	2,291,663	2,690,584	987.73	117.4
Arkansas	749.52	79.0	1,717,155	1,468,459	640.97	85.5
California	1,109.69	117.0	26,331,802	26,800,496	1,129.44	101.8
Colorado	1,068.51	112.6	3,094,400	2,797,433	965.96	90.4
Connecticut	1,058.49	111.6	3,297,188	3,291,924	1,056.80	99.8
Delaware	1,057.35	111.4	631,239	561,445	940.45	88.9
Washington, DC	1,051.24	110.8	672,793	882,700	1,379.22	131.2
Florida	949.01	100.0	9,355,327	6,908,203	700.77	73.8
Georgia	778.09	82.0	4,262,375	4,100,241	748.49	96.2
Hawaii	1,010.60	106.5	978,257	1,217,877	1,258.14	124.5
Idaho	830.11	87.5	786,111	694,191	733.04	88.3
Illinois	1,021.05	107.6	11,687,956	11,977,864	1,046.38	102.5
Indiana	874.94	92.2	4,814,798	4,056,063	737.06	84.2
Iowa	997.94	105.2	2,913,978	2,789,467	955.30	95.7
Kansas	1,032.42	108.8	2,445,803	2,150,164	907.63	87.9
Kentucky	787.16	83.0	2,888,891	2,560,950	697.81	88.6
Louisiana	1,036.40	109.2	4,368,436	3,395,536	805.58	77.7
Maine	759.27	80.0	856,451	951,629	843.64	111.1
Maryland	941.01	99.2	3,977,646	4,320,412	1,022.10	108.6
Massachusetts	912.94	96.2	5,248,268	7,060,839	1,227.76	134.5
Michigan	919.94	97.0	8,537,076	9,867,747	1,063.33	115.6
Minnesota	969.33	102.2	3,961,646	4,402,580	1,077.22	111.1
Mississippi	657.81	69.3	1,662,290	1,603,620	634.59	96.5
Missouri	887.89	93.6	4,376,434	3,657,131	741.96	83.6
Montana	1,066.59	112.4	841,538	775,546	982.95	92.2
Nebraska	918.34	96.8	1,445,462	1,477,223	938.52	102.2
Nevada	1,465.23	154.4	1,173,647	698,404	871.92	59.5
New Hampshire	915.54	96.5	845,046	633,959	686.85	75.0
New Jersey	996.88	105.1	7,365,925	8,247,468	1,116.18	112.0
New Mexico	1,016.20	107.1	1,324,114	1,100,681	844.73	83.1
New York	855.25	90.1	15,057,553	25,201,545	1,431.42	167.4
North Carolina	754.34	79.5	4,441,553	4,303,975	730.97	96.9
North Dakota	1,027.74	108.3	672,138	529,354	809.41	78.8
Ohio	918.44	96.8	9,940,257	8,616,655	796.14	86.7
Oklahoma	1,107.97	116.8	3,360,458	2,404,433	792.76	71.6
Oregon	978.50	103.1	2,582,257	2,409,913	913.19	93.3
Pennsylvania	878.63	92.6	10,451,293	10,845,991	911.81	103.8
Rhode Island	794.81	83.8	755,072	929,754	978.69	123.1
South Carolina	713.86	75.2	2,232,948	2,131,822	681.53	95.5
South Dakota	855.62	90.2	592,945	523,256	755.06	88.2
Tennessee	749.36	79.0	3,448,535	2,902,564	630.72	84.2
Texas	1,172.51	123.6	16,723,511	10,858,746	761.32	64.9
Utah	815.73	86.0	1,195,045	1,208,944	825.22	101.2
Vermont	801.49	84.5	411,164	428,281	834.86	104.2
Virginia	899.06	94.8	4,818,051	4,256,031	794.18	88.3
Washington	976.17	102.9	4,041,326	3,788,027	914.98	93.7
West Virginia	888.77	93.7	1,736,662	1,426,263	729.92	82.1
Wisconsin	898.66	94.7	4,238,961	4,931,821	1,045.54	116.3
Wyoming	1,861.55	196.2	880,512	654,657	1,384.05	74.3
U.S. Totals	$948.73	100.0	$215,524,055	$215,524,055	$948.73	100.0

NOTE: All per capita amounts are in dollars; total amounts are in thousands of dollars.

Source: ACIR staff estimates.

Table C-5

1981 — ALL RTS TAXES

State	Capacity per Capita	Tax Capacity Index	Tax Capacity	Tax Revenue	Revenue Per Capita	Tax Effort Index
Alabama	$766.74	74.5	$3,003,307	$2,720,058	$694.42	90.6
Alaska	3,333.35	323.8	1,373,339	2,533,290	6,148.76	184.5
Arizona	913.45	88.7	2,552,170	2,702,681	967.32	105.9
Arkansas	839.75	81.6	1,928,064	1,522,070	662.92	78.9
California	1,186.14	115.2	28,699,946	28,795,873	1,190.11	100.3
Colorado	1,160.97	112.8	3,442,285	2,877,328	970.43	83.6
Connecticut	1,131.92	109.9	3,547,437	3,643,861	1,162.69	102.7
Delaware	1,143.38	111.1	683,739	593,579	992.61	86.8
Washington, DC	1,142.80	111.0	721,108	1,049,103	1,662.60	145.5
Florida	1,040.65	101.1	10,596,964	7,762,573	762.31	73.3
Georgia	838.18	81.4	4,672,010	4,545,647	815.51	97.3
Hawaii	1,076.52	104.6	1,056,069	1,327,453	1,353.16	125.7
Idaho	891.21	86.6	854,666	743,224	775.00	87.0
Illinois	1,070.10	103.9	12,265,499	12,883,547	1,124.02	105.0
Indiana	932.45	90.6	5,098,620	4,510,288	824.85	88.5
Iowa	1,053.56	102.3	3,054,275	2,999,988	1,034.84	98.2
Kansas	1,125.09	109.3	2,681,082	2,332,740	978.91	87.0
Kentucky	843.99	82.0	3,090,679	2,732,962	746.30	88.4
Louisiana	1,200.46	116.6	5,171,597	3,968,957	921.30	76.7
Maine	815.84	79.2	924,350	1,046,896	924.00	113.3
Maryland	1,009.37	98.0	4,302,930	4,621,140	1,084.01	107.4
Massachusetts	988.64	96.0	5,707,408	7,649,132	1,324.98	134.0
Michigan	990.53	96.2	9,116,811	10,584,723	1,150.01	116.1
Minnesota	1,030.88	100.1	4,220,423	4,591,076	1,121.42	108.8
Mississippi	737.47	71.6	1,866,537	1,766,352	697.89	94.6
Missouri	947.69	92.1	4,682,535	3,803,382	769.76	81.2
Montana	1,168.94	113.5	926,971	856,475	1,080.05	92.4
Nebraska	996.91	96.8	1,572,120	1,490,766	945.32	94.8
Nevada	1,523.84	148.0	1,287,640	793,614	939.19	61.6
New Hampshire	982.72	95.5	919,823	679,850	726.34	73.9
New Jersey	1,077.82	104.7	7,980,165	8,913,238	1,203.84	111.7
New Mexico	1,170.00	113.6	1,553,764	1,383,998	1,042.17	89.1
New York	916.42	89.0	16,130,756	27,586,527	1,567.24	171.0
North Carolina	818.77	79.5	4,874,160	4,644,360	780.17	95.3
North Dakota	1,271.12	123.5	836,394	619,109	940.90	74.0
Ohio	971.91	94.4	10,478,129	9,292,758	861.96	88.7
Oklahoma	1,310.98	127.3	4,064,042	2,950,586	951.80	72.6
Oregon	1,019.42	99.0	2,702,486	2,734,563	1,031.52	101.2
Pennsylvania	931.14	90.4	11,053,593	11,580,833	975.56	104.8
Rhode Island	827.46	80.4	788,572	1,024,150	1,074.66	129.9
South Carolina	774.19	75.2	2,451,857	2,335,778	737.54	95.3
South Dakota	888.98	86.3	609,842	566,624	825.98	92.9
Tennessee	812.85	79.0	3,748,859	3,262,599	707.42	87.0
Texas	1,359.95	132.1	20,081,016	12,969,436	878.33	64.6
Utah	890.37	86.5	1,351,578	1,310,878	863.56	97.0
Vermont	864.76	84.0	446,218	469,170	909.25	105.1
Virginia	969.08	94.1	5,262,084	4,709,596	867.33	89.5
Washington	1,020.67	99.1	4,304,161	3,962,131	939.56	92.1
West Virginia	926.36	90.0	1,808,250	1,503,005	769.98	83.1
Wisconsin	935.97	90.9	4,438,392	5,337,943	1,125.67	120.3
Wyoming	2,227.54	216.4	1,095,948	794,757	1,615.36	72.5
U.S. Totals	$1,029.52	100.0	$236,080,697	$236,080,697	$1,029.52	100.0

NOTE: All per capita amounts are in dollars; total amounts are in thousands of dollars.

Source: ACIR staff estimates.

Table C-6

1982—ALL RTS TAXES

State	Capacity per Capita	Tax Capacity Index	Tax Capacity	Tax Revenue	Revenue Per Capita	Tax Effort Index
Alabama	$819.38	73.8	$3,229,191	$2,812,678	$713.70	87.1
Alaska	3,471.05	312.4	1,541,145	2,768,954	6,236.38	179.7
Arizona	1,062.80	95.7	3,073,607	2,821,799	975.73	91.8
Arkansas	871.79	78.5	2,011,224	1,633,901	708.24	81.2
California	1,287.97	115.9	31,808,920	31,422,611	1,272.33	98.8
Colorado	1,347.38	121.3	4,137,816	3,343,639	1,088.78	80.8
Connecticut	1,303.52	117.3	4,074,790	4,035,020	1,290.79	99.0
Delaware	1,276.96	114.9	766,178	643,354	1,072.26	84.0
Washington, DC	1,273.57	114.6	797,256	1,155,296	1,845.52	144.9
Florida	1,152.69	103.8	12,064,076	8,696,462	830.93	72.1
Georgia	929.71	83.7	5,252,011	5,031,029	890.76	95.8
Hawaii	1,301.73	117.2	1,297,825	1,366,673	1,370.79	105.3
Idaho	955.85	86.0	933,864	789,307	807.89	84.5
Illinois	1,094.41	98.5	12,548,523	13,432,790	1,171.53	107.0
Indiana	987.14	88.9	5,411,526	4,775,085	871.05	88.2
Iowa	1,065.98	96.0	3,097,751	3,264,237	1,123.27	105.4
Kansas	1,180.99	106.3	2,843,829	2,489,664	1,033.91	87.5
Kentucky	909.00	81.8	3,356,039	2,969,282	804.25	88.5
Louisiana	1,255.94	113.1	5,504,786	4,503,309	1,027.45	81.3
Maine	935.14	84.2	1,062,317	1,134,415	998.60	106.8
Maryland	1,106.11	99.6	4,723,100	5,017,092	1,174.96	106.2
Massachusetts	1,116.52	100.5	6,420,008	7,662,459	1,332.60	119.4
Michigan	1,031.25	92.8	9,400,836	11,313,150	1,241.02	120.3
Minnesota	1,100.08	99.0	4,546,619	5,059,809	1,224.25	111.3
Mississippi	785.53	70.7	2,018,030	1,864,137	725.63	92.4
Missouri	1,004.92	90.5	4,966,333	4,051,447	819.80	81.6
Montana	1,219.27	109.8	981,515	953,677	1,184.69	97.2
Nebraska	1,078.94	97.1	1,714,431	1,602,660	1,008.60	93.5
Nevada	1,674.31	150.7	1,466,691	920,801	1,051.14	62.8
New Hampshire	1,110.01	99.9	1,052,285	788,250	831.49	74.9
New Jersey	1,171.82	105.5	8,703,095	9,817,921	1,321.92	112.8
New Mexico	1,272.99	114.6	1,740,172	1,435,035	1,049.77	82.5
New York	1,019.29	91.8	17,905,923	30,421,002	1,731.71	169.9
North Carolina	905.50	81.5	5,450,199	5,104,468	848.06	93.7
North Dakota	1,278.22	115.1	858,962	709,800	1,056.25	82.6
Ohio	1,016.93	91.5	10,954,378	10,338,998	959.80	94.4
Oklahoma	1,399.38	126.0	4,514,415	3,534,924	1,095.76	78.3
Oregon	1,093.78	98.5	2,918,196	2,776,277	1,040.58	95.1
Pennsylvania	986.34	88.8	11,716,695	12,418,822	1,045.44	106.0
Rhode Island	903.65	81.3	861,181	1,143,165	1,199.54	132.7
South Carolina	822.05	74.0	2,652,751	2,541,409	787.55	95.8
South Dakota	970.50	87.4	673,524	611,371	880.94	90.8
Tennessee	859.31	77.4	4,000,956	3,421,304	734.82	85.5
Texas	1,447.54	130.3	22,189,306	14,560,652	949.88	65.6
Utah	957.14	86.2	1,503,675	1,456,748	927.27	96.9
Vermont	982.66	88.5	510,981	523,796	1,007.30	102.5
Virginia	1,039.23	93.5	5,700,169	5,117,989	933.09	89.8
Washington	1,128.04	101.5	5,823,492	4,475,083	1,046.56	92.8
West Virginia	1,020.79	91.9	2,001,772	1,720,750	877.49	86.0
Wisconsin	964.30	86.8	4,575,594	5,850,842	1,233.05	127.9
Wyoming	2,234.37	201.1	1,137,295	1,190,912	2,339.71	104.7
U.S. Totals	$1,110.91	100.0	$257,494,256	$257,494,256	$1,110.91	100.0

NOTE: All per capita amounts are in dollars; total amounts are in thousands of dollars.

Source: ACIR staff estimates.

Table C-7

1983—ALL RTS TAXES

State	Capacity per Capita	Tax Capacity Index	Tax Capacity	Tax Revenue	Revenue Per Capita	Tax Effort Index
Alabama	$879.52	74.8	$3,482,021	$3,017,055	$762.08	86.6
Alaska	3,197.91	271.9	1,531,798	2,541,654	5,306.17	165.9
Arizona	1,140.97	97.0	3,380,689	3,084,752	1,041.09	91.2
Arkansas	913.16	77.7	2,125,825	1,757,452	754.92	82.7
California	1,395.97	118.7	35,142,023	32,470,874	1,289.86	92.4
Colorado	1,436.96	122.2	4,510,614	3,561,238	1,134.51	79.0
Connecticut	1,456.06	123.8	4,569,103	4,400,895	1,402.45	96.3
Delaware	1,388.72	118.1	841,566	686,973	1,133.62	81.6
Washington, DC	1,371.74	116.6	854,592	1,250,422	2,007.10	146.3
Florida	1,216.52	103.4	12,992,425	9,757,580	913.63	75.1
Georgia	1,022.21	86.9	5,859,329	5,425,387	946.51	92.6
Hawaii	1,336.93	113.7	1,367,684	1,476,751	1,443.55	108.0
Idaho	979.56	83.3	968,781	838,297	847.62	86.5
Illinois	1,153.28	98.1	13,246,549	14,165,434	1,233.28	106.9
Indiana	1,012.50	86.1	5,547,509	4,925,277	898.94	88.8
Iowa	1,068.27	90.8	3,103,327	3,369,598	1,159.93	108.6
Kansas	1,203.23	102.3	2,917,845	2,696,629	1,112.01	92.4
Kentucky	926.60	78.8	3,441,397	3,124,179	841.19	90.8
Louisiana	1,254.58	106.7	5,567,839	4,526,268	1,019.89	81.3
Maine	1,060.84	90.2	1,215,723	1,220,161	1,064.71	100.4
Maryland	1,164.45	99.0	5,011,778	5,373,517	1,248.49	107.2
Massachusetts	1,252.91	106.5	7,225,509	8,102,892	1,405.04	112.1
Michigan	1,060.65	90.2	9,618,997	12,327,940	1,359.35	128.2
Minnesota	1,141.14	97.0	4,728,880	5,877,765	1,418.38	124.3
Mississippi	801.88	68.2	2,074,460	1,963,166	758.86	94.6
Missouri	1,049.01	89.2	5,213,579	4,531,320	911.73	86.9
Montana	1,237.53	105.2	1,011,065	946,827	1,158.91	93.6
Nebraska	1,184.30	100.7	1,891,333	1,785,338	1,117.93	94.4
Nevada	1,731.12	147.2	1,542,425	982,086	1,102.23	63.7
New Hampshire	1,265.42	107.6	1,213,537	836,787	872.56	69.0
New Jersey	1,319.26	112.2	9,852,207	10,741,709	1,438.36	109.0
New Mexico	1,268.10	107.8	1,774,076	1,401,341	1,001.67	79.0
New York	1,122.22	95.4	19,826,188	32,366,659	1,823.04	163.3
North Carolina	1,020.22	86.8	6,205,000	5,447,843	895.73	87.8
North Dakota	1,302.78	110.8	885,890	719,685	1,058.36	81.2
Ohio	1,051.31	89.4	11,297,348	11,621,122	1,081.44	102.9
Oklahoma	1,350.65	114.9	4,454,446	3,578,197	1,084.96	80.3
Oregon	1,122.84	95.5	2,988,989	3,092,487	1,161.72	103.5
Pennsylvania	1,037.73	88.2	12,343,767	12,935,494	1,087.47	104.8
Rhode Island	1,009.34	85.8	963,919	1,218,572	1,275.99	126.4
South Carolina	888.27	75.5	2,899,298	2,769,045	848.36	95.5
South Dakota	1,028.03	87.4	719,619	614,295	877.56	85.4
Tennessee	943.95	80.3	4,422,427	3,625,078	773.76	82.0
Texas	1,453.84	123.6	22,860,140	15,335,713	975.31	67.1
Utah	965.02	82.1	1,562,367	1,533,100	946.94	98.1
Vermont	1,102.49	93.8	578,805	551,372	1,050.23	95.3
Virginia	1,123.96	95.6	6,237,986	5,566,579	1,002.99	89.2
Washington	1,184.55	100.7	5,093,560	5,305,601	1,233.86	104.2
West Virginia	1,024.13	87.1	2,012,423	1,765,134	898.29	87.7
Wisconsin	1,024.99	87.2	4,869,737	6,685,192	1,407.11	137.3
Wyoming	2,144.92	182.4	1,102,487	1,250,212	2,432.32	113.4
U.S. Totals	$1,175.95	100.0	$275,148,881	$275,148,881	$1,175.95	100.0

NOTE: All per capita amounts are in dollars; total amounts are in thousands of dollars.

Source: ACIR staff estimates.

Table C-8

1984 — ALL RTS TAXES

State	Capacity per Capita	Tax Capacity Index	Tax Capacity	Tax Revenue	Revenue Per Capita	Tax Effort Index
Alabama	$954.10	73.2	$3,807	$3,437	$861.50	90.3
Alaska	3,257.48	249.8	1,629	2,291	4,581.86	140.7
Arizona	1,287.58	98.7	3,931	3,713	1,216.16	94.5
Arkansas	978.00	75.0	2,297	1,992	847.91	86.7
California	1,556.24	119.3	39,874	37,045	1,445.82	92.9
Colorado	1,582.54	121.3	5,029	4,126	1,298.37	82.0
Connecticut	1,621.00	124.3	5,113	5,073	1,608.29	99.2
Delaware	1,598.03	122.5	980	758	1,236.13	77.4
Washington, DC	1,561.94	119.8	973	1,353	2,171.72	139.0
Florida	1,364.11	104.6	14,972	11,023	1,004.30	73.6
Georgia	1,164.71	89.3	6,798	6,036	1,034.06	88.8
Hawaii	1,536.49	117.8	1,596	1,585	1,525.16	99.2
Idaho	1,016.53	77.9	1,018	927	925.68	91.1
Illinois	1,259.55	96.6	14,499	15,878	1,379.35	109.5
Indiana	1,139.65	87.4	6,266	5,963	1,084.57	95.2
Iowa	1,128.66	86.5	3,284	3,668	1,260.49	111.7
Kansas	1,307.44	100.2	3,188	3,024	1,240.40	94.9
Kentucky	1,005.39	77.1	3,743	3,315	890.32	88.6
Louisiana	1,334.13	102.3	5,953	4,846	1,086.00	81.4
Maine	1,148.06	88.0	1,327	1,398	1,209.47	105.3
Maryland	1,375.22	105.4	5,981	5,961	1,370.71	99.7
Massachusetts	1,447.58	111.0	8,393	8,845	1,525.50	105.4
Michigan	1,209.11	92.7	10,973	14,176	1,562.05	129.2
Minnesota	1,319.77	101.2	5,493	6,797	1,633.06	123.7
Mississippi	907.28	69.6	2,357	2,229	857.96	94.6
Missouri	1,165.13	89.3	5,835	4,965	991.38	85.1
Montana	1,242.25	95.2	1,024	1,032	1,252.84	100.9
Nebraska	1,214.84	93.1	1,951	1,926	1,199.25	98.7
Nevada	1,898.66	145.6	1,730	1,118	1,226.74	64.6
New Hampshire	1,437.64	110.2	1,405	968	990.70	68.9
New Jersey	1,487.87	114.1	11,181	12,132	1,614.40	108.5
New Mexico	1,348.65	103.4	1,920	1,631	1,145.23	84.9
New York	1,283.65	98.4	22,766	36,045	2,032.40	158.3
North Carolina	1,129.24	86.6	6,962	6,223	1,009.39	89.4
North Dakota	1,380.19	105.8	947	883	1,287.41	93.3
Ohio	1,172.14	89.9	12,603	13,185	1,226.27	104.6
Oklahoma	1,473.73	113.0	4,860	3,687	1,117.90	75.9
Oregon	1,220.85	93.6	3,265	3,355	1,254.63	102.8
Pennsylvania	1,151.80	88.3	13,708	14,408	1,210.62	105.1
Rhode Island	1,125.68	86.3	1,083	1,331	1,383.25	122.9
South Carolina	998.22	76.5	3,294	3,112	943.05	94.5
South Dakota	1,083.78	83.1	765	662	937.51	86.5
Tennessee	1,049.82	80.5	4,952	3,989	845.70	80.6
Texas	1,531.74	117.4	24,491	16,827	1,052.38	68.7
Utah	1,050.16	80.5	1,735	1,841	1,114.20	106.1
Vermont	1,243.75	95.4	659	618	1,165.11	93.7
Virginia	1,249.71	95.8	7,043	6,214	1,102.60	88.2
Washington	1,292.79	99.1	5,622	5,808	1,335.47	103.3
West Virginia	1,034.75	79.3	2,020	2,013	1,031.32	99.7
Wisconsin	1,157.49	88.7	5,516	7,317	1,535.47	132.7
Wyoming	2,365.38	181.4	1,209	1,274	2,493.15	105.4
U.S. Total	$1,304.27	100.0	$308,018	$308,018	$1,304.27	100.0

NOTE: All per capita amounts are in dollars; total amounts are in thousands of dollars.

Source: ACIR staff estimates.

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The Commission is composed of 26 members—nine representing the federal government, 14 representing state and local government, and three representing the public. The President appoints 20—three private citizens and three federal executive officials directly and four governors, three state legislators, four mayors, and three elected county officials from slates nominated by the National Governors' Conference, the Council of State Governments, the National League of Cities/U.S. Conference of Mayors, and the National Association of Counties. The three Senators are chosen by the President of the Senate and the three Representatives by the Speaker of the House.

Each Commission member serves a two-year term and may be reappointed.

As a continuing body, the Commission approaches its work by addressing itself to specific issues and problems, the resolution of which would produce improved cooperation among the levels of government and more effective functioning of the federal system. In addition to dealing with the all-important functional and structural relationships among the various governments, the Commission has also extensively studied critical stresses currently be placed on traditional governmental taxing practices. One of the long-range efforts of the Commission has been to seek ways to improve federal, state, and local governmental taxing practices and policies to achieve equitable allocation of resources, increased efficiency in collection and administration and reduced compliance burdens upon the taxpayers.

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